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PUBLIC · EDUCATION

·PENNSYLVANIA·

Monthly Bulletin
DEPARTMENT OF PUBLIC INSTRUCTION
Commonwealth of Pennsylvania

EDUCATION CONGRESS ISSUE

THE EDUCATION BUILDING—FRONT VIEW *Courtesy Department of Highways*

"If an elective republic is to endure for any great length of time, every elector must have sufficient information, not only to accumulate wealth and take care of his pecuniary concerns, but to direct wisely the Legislature, the Ambassadors, and the Executive of the nation; for some part of all these things, some agency in approving or disapproving of them, falls to every freeman."
—Thaddeus Stevens, 1835.

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CLARENCE E. ACKLEY, *Deputy Superintendent*

F. STEWARD HARTMAN, *Executive Assistant*
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Vol. 7 October, 1939 No. 2

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EDUCATION CONGRESS OF 1940

With the 1939 Education Congress a matter of record, it seems not too soon to anticipate the purpose and program of the Congress of 1940. To this end, a committee will be named in the near future.

We all accept certain fundamental educational objectives. We all are busy in numerous activities to attain them. It is to be assumed that nearly all of these activities are of some value in promoting our purposes. Probably, some are more useful and effective than others. Possibly, the value of some may be questioned, and perhaps a few are even detrimental to our cause. Certainly, if we continue to do a given thing, we should be able to justify it. Surely, of the many things we do, we should have some rather definite convictions of relative values to guide and control the emphasis we place on them.

The responsibility of any program committee is great indeed. The function of the Education Congress, since its inception, has been recognized as that of a clearing house for the administrative and instructional problems arising in our system of free public instruction. Obviously, such a clearing house recognizes, accepts, analyzes, and seeks the solution of the problems directed to its attention. Since the beginning of these annual conferences, the successive program committees have acquitted themselves with credit to themselves and to the profession. Problems vital to the success of our educational enterprise have been rather thoroughly analyzed, even though, in many instances, solutions have not been forthcoming.

A review of the successive annual proceedings of the Education Congress, however, will disclose that there has been a measure of repetition and reiteration of educational problems and their causes, without results commensurate with the time and effort devoted to them. Such a review leaves also the impression of a piecemeal attack.

If we are to secure a full measure of benefit from our annual conference, our greatest need at this time may be to consider the advantages of a long-range program of inquiry over a period of years in which our diagnosis and prescription will be applied to our entire program, without repetition of our examination of certain functions at the expense of others equally vital. In addition to the obvious problem areas relating to the Department, finance, teacher, and instructional situations, the program committee to be appointed for the Education Congress of 1940 might well give serious consideration to a fifth situation, namely, that of the function and effectiveness of the Education Congress itself.

Even a tentative coordinated plan for the programs of future sessions of the Education Congress, covering a period of at least four or five years, would tend to clarify for us the manifold ramifications of our administrative responsibilities. Such long-range program planning would definitize the aims and outcomes of the Congress, would avoid both omissions and repetitions, and would, perhaps, lend some measure of assistance in the solution of the many problems which have been for many years, and still are, with us.

Francis B. Haas

PROGRAM

EDUCATION CONGRESS OF 1939

Education Building, Harrisburg, October 4 and 5

GENERAL THEME: AN EVALUATION OF THE PUBLIC SCHOOL PROGRAM OF PENNSYLVANIA

I. Wednesday Forenoon, October 4

General Session—The Forum—9:45 o'clock
Presiding, DONALD P. DAVIS, *Director, Bureau of Administration and Finance*
Assisted by: RAYMOND W. ROBINSON, *Chief, Division of Transportation and Consolidation*
H. FRANK HARE, *Chief, Division of Secondary Education*

THEME: Reorganization of Administrative Units and Attendance Areas

Symposium
As Viewed by County Superintendents—Willis E. Pratt, Superintendent of Schools, Erie County
Mervin J. Wertman, Superintendent of Schools, Lehigh County
As Viewed by Supervising Principals—Oliver R. Floyd, Supervising Principal, Avonworth Union, Allegheny County
Eugene K. Robb, Supervising Principal, Bedford, Bedford County
As Viewed by District Superintendents—Hobson C. Wagner, Superintendent of Schools, Hollidaysburg, Pennsylvania
G. A. Stetson, Superintendent of Schools, West Chester, Chester County
General Discussion .....30 minutes
Opened by—PAUL L. CRESSMAN, *Director, Bureau of Instruction*

II. Wednesday Afternon, October 4

General Session—The Forum—1:30 o'clock
Presiding, CLARENCE E. ACKLEY, *Deputy Superintendent of Public Instruction*

THEME: Educational Administration and Appraisal of Teaching Service

Address .....FRANCIS B. HAAS, *Superintendent of Public Instruction*
Address—Should the Schools Indoctrinate .....CARLETON WASHBURNE, *Superintendent of Schools, Winnetka, Illinois*

Panel Discussion—Appraisal of Teaching Service (one hour)
Sub-Committee on Teacher Rating

Chairman—Ben G. Graham
Superintendent of Schools
Pittsburgh, Pennsylvania

Henry Klonower
Director, Teacher Education and Certification, Department of Public Instruction

Alexander J. Stoddard
Superintendent of Philadelphia Schools

Marion R. Trabue
Dean, School of Education, The Pennsylvania State College

Albert Lindsay Rowland
President, Shippensburg State Teachers College

D. A. Best
Member, East McKeesport School Board

J. Andrew Morrow
Superintendent, Bradford County Schools

Edwin Cruttenden
Teacher, Scranton, Pennsylvania

Lulu C. Cobb
Teacher, Heston School, Philadelphia

Weir C. Ketler
President, Grove City College

General Discussion .....30 minutes

III. Thursday Forenoon, October 5

General Session—The Forum—9:00 o'clock
Presiding, E. A. QUACKENBUSH, *Chief, Division of School Business*

THEME: Business Administration and Financial Program

Address—New Legislation .....CLARENCE E. ACKLEY, *Deputy Superintendent of Public Instruction*
Address—Financing Public Schools .....DONALD P. DAVIS, *Director, Bureau of Administration and Finance*
General Discussion .....20 minutes
Address—The Taxation and Finance Program of the Pennsylvania Commission on the Survey of School Costs
HARLEY L. LUTZ, *Professor of Public Finance, Princeton University*
General Discussion .....20 minutes

IV. Thursday Noon, October 5

Luncheon Meeting—Penn-Harris Hotel—12:30 o'clock
Toastmaster, DOCTOR FRANCIS B. HAAS

Greetings .....HONORABLE ARTHUR H. JAMES, *Governor of the Commonwealth of Pennsylvania*
Address—The Evils of Deficit Financing .....DOCTOR HARLEY L. LUTZ
Address—Remakers of Mankind .....DOCTOR CARLETON WASHBURNE
Adjournment

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PROCEEDINGS

EDUCATION CONGRESS OF 1939

GENERAL THEME: AN EVALUATION OF THE PUBLIC SCHOOL PROGRAM OF PENNSYLVANIA

Our School Program And Its Evaluation

FRANCIS B. HAAS
State Superintendent of Public Instruction

Ladies and Gentlemen of the Congress:

It is my privilege and honor to extend greetings and a cordial welcome to all of you assembled here at the Education Congress of 1939. With your permission, I would like to take this opportunity to thank a great many of you for your kind expressions of confidence. Some of them have not as yet been answered. However, they will receive the personal attention they deserve. It is hoped that your continued confidence will be merited.

I regret that I am unable to claim any credit for the development of this program. An expression of thanks is due, however, to those who did help to plan the program, to those who are participating, and for what is equally important, the inspiration of an audience.

The general theme of this Congress is, "An Evaluation of the Public School Program of Pennsylvania." When I agreed to participate in this program, it was obvious that my association with the Department had been too brief to justify any attempt on my part to discuss certain specific aspects of this topic. From the viewpoint of its general implications, however, it happens that the very recency of my association, immediately following some twelve years of service in another capacity associated rather closely with students, teachers, and school officials, has, perhaps, given rise to a rather definite point of view as to relative educational values, and as to some of the problems which make their attainment difficult.

That point of view may be lost within a year—one cannot be certain—but, at this time I propose to give to you some of the thoughts that have come to me as a result of this recent experience of but four weeks suddenly set in bold contradistinction to that background of twelve years.

May we, then, consider briefly some of these rather definite ideas that seem to be crystallizing, concerning, on the one hand, certain criteria of sound evaluation, and, on the other hand, some of our present objectives and problems which seem to need evaluation.

Some Criteria of Sound Evaluation

As to the criteria of sound evaluation, let us first make a few brief observations regarding certain qualities which should characterize any attempt at evaluation.

Fundamentally, any sound evaluation of a program should not mean merely planning to do more of the same thing. Too many attempts at evaluation, as one reviews them, seem to be merely the formulation of programs to do more of the same thing, and this, irrespective of avowed objectives and apparent outcomes.

It seems to me that a second quality which evaluation should take would have to do with the segregation of that which is essential from that which is desirable, and from that which is in the nature of a luxury.

Recently discussing this analysis with a friend, he said, "Aren't you afraid that you will be accused of being a conservative—a reactionary?" My reply was, "Well,—I think not with intelligent people." Essentiality—desirability—luxuriousness—these are the qualities which we personally recognize and which determine a choice in our individual lives. These are the ultimate factors which, for us, determine relative values. By the same token then, these should be basic criteria for every program of evaluation.

Also, it seems to me, a third quality of evaluation has to do with a comparison of our program with other situations somewhat similar to our own. It was little short of startling, recently, to find on my desk an editorial commenting on the fact that in one of our neighboring southern states the people were greatly pleased by the fact that parents would now be able to rent textbooks for their children at approximately one-third of their former cost. Actually, one must conclude that the citizens in that area are elated over the educational progress that is being made. Relatively, however, that advantage obviously is not to be compared with the underlying concept of a free text law.

Then, too, it seems to me that there is a fourth quality that should be considered in the evaluation of a program. This has to do with the relation existing between quantity and quality. The age-old slogan "bigger and better" reflects, of course, a tendency to assume that as anything gets larger, it gets better. The fallacy of this assumption, although seemingly obvious, too often succeeds in obscuring from our view established values of long standing.

Is it unreasonable, then, for one to ask that we, in the evaluation of any program, consider at least these questions:

1. Are we merely planning more of the same thing?
2. Are we making any attempt to segregate the essential, the desirable, and the luxurious?
3. Are we making any valid comparisons with other situations?
4. Are we giving any consideration to those relationships existing between quantity and quality?

Some Objectives and Problems Needing Evaluation

Next, as to certain objectives and problems needing evaluation, it seems to have been possible, during the past four weeks, to see, against the background of previous experiences, certain major problems challenging our educational values and administrative procedures. In this connection, four general areas of problems within our program of education seem to have become rather clearly visible.

Problems of State Administration

The first of these has to do with the Department of Public Instruction itself. That is a responsibility which I, personally, am unable to evade, but more about this later. Then, too, one seems to see a second major problem area relating to our old friend, finance, a third major area having to do with the teacher situation, and a fourth having to do with the instructional situation. Now, with your permission, a few words, as briefly as possible, regarding these four areas.

First, as to the Department of Public Instruction. In trying recently to find some units for measuring Department responsibility, I have been rather amazed to discover this fact; Our Department issues yearly 200,000 credentials in the form of commissions, teachers' certificates, licenses, and certificates to the various professions. Without these credentials, the individuals involved may not earn a livelihood in Pennsylvania. Two hundred thousand of them against a population of approximately ten million, means that one out of every fifty individuals—men, women, and children in Pennsylvania—may not legally earn a livelihood unless they have a credential legally issued by this Department. If one were to apply that proportion on the basis of those who are gainfully employed at the present time, he would find that one out of approximately every thirteen may not legally earn a livelihood without a credential from this Department. Ladies and gentlemen, that is a rather interesting and significant crystallization of a type of responsibility having a great many ramifications, with many of which you are concerned.

With regard to the machinery of the Department, we have had some interesting Staff conferences on this matter recently. Just at present, I find myself reacting against formality. One cannot be sure how long his strength will last under great pressure. Personally, if I could, and, of course, there are occasions when perhaps all of us would like to be undemocratic, I would like to see that every Form being used in Pennsylvania will be cut in half during the next year, that no letter over two pages in length will be read, and that anybody writing me a memorandum who could talk to me instead, will not be given a hearing. Of course, this is going to extremes. It is essentially an undemocratic attitude, but—it does represent the reaction of one average man to a given situation in which avowed values seem to have become largely buried under the mounting routine of traditional practices.

Problems of School Finance

Secondly, a few words regarding the finance problem area. It has been my experience, with literally a hundred or more individuals in this room, to have had some more or less close relations to educational surveys made in Pennsylvania, beginning about 1919. In my library there are, I think, thirteen printed volumes of surveys covering education in Pennsylvania, and, without exception, each one of these surveys comes to at least one conclusion, namely, that if there is such a thing as equalization of educational opportunity, and if educational opportunity be the purchase of a commodity, then to equalize educational opportunity one must equalize purchasing ability. In substance, they all say that. It was heard here this morning—the same proposition.

Now, either one agrees that that proposition is true, or that it is not true. If he holds that it is not true, certainly he has a professional responsibility to demonstrate why it is not true. Whether it be true or not, the fact that equalization of educational opportunity under our system is conditioned at present in many school districts by a special fund for handicapped districts, indicates that although our system may not be said to be broken, it does represent, at least, a bending of that system by which the financial background of our equalization takes place. To me it seems that one of our major, most important areas of responsibility has to do with this financial situation, and, very soon, your further cooperation will be invited so that we may make yet another attack upon this problem.

Problems of the Teacher Situation

Thirdly, the teacher situation was mentioned as another area of responsibility. These are merely those problem areas which have struck my attention in my recent association with the Department. The most forceful aspect of the teacher situation which has come to my attention is that which has to do with what one may call a legalistic attitude or development. The first appeal under this law recently enacted came this week. The transcript record constitutes a formidable stack of literally hundreds of pages of manuscript. It is the first of such appeals. From the press we learn that there are many more on the way.

This means, as a practical problem, that the Department may next have to develop a legal department which will give its whole time to something from which, in the past, we have been relatively free. This may or may not be true. It is merely stating that there seems to be something coming that we did not have before.

Another aspect of the teacher situation is that of the Rating Card. Is this treading on delicate ground? Whether one is responsible or not, the fact remains that upon the Department there has been placed a responsibility to develop a Teacher Rating Card and to administer its use. As in so many other matters, we now have two Rating Cards where only one was growing before. It is going to be a tough job to cut that down to one again, but notice is being served that as far as my office is concerned, we shall try to do it, that is, if you will let us. Actually, in my opinion, the men and women who worked on this Rating Card did a good job. It is hoped, however, that we may succeed in developing a single card, and that we may be able further to simplify it.

There is yet another aspect of the teacher situation which, though relative, seems to be of prime importance. Many of you have heard me say this many, many times. In the evaluation of any program, it is my conviction that education takes place at the point of the pupil-teacher contact, and, therefore, relatively, the maintenance of that contact is the most vital thing in the entire educational program and it should be the last to be sacrificed.

Problems of Instruction

This leads us logically to the fourth and last major problem area that has seemed to invite attention. It is that of instruction. For some reason, I seem to have acquired a peculiar, perhaps warped, view of this thing during the past four weeks. This may be frankly admitted because every opportunity has been given to all of my colleagues to battle me on this point, choosing their own weapons.

May I make this point clear by a bit of introspection? Like many others, I see all about me; I read occasionally; I listen to the radio; I hear my friends discuss the vital international, the vital national, and the vital State, social and economic situations. Then—do not agree with this if you do not want to—I find myself, like Nero, fiddling apparently, while everyone about me loads my desk with memoranda to read about some young lady who made a face at the teacher, or some such situation. I get immense transcripts of a case in which the teacher and the school board could not agree.

These things seem to lead one to the conclusion that, perhaps, just at this time, there may be an instructional situation which relatively deserves more attention than any of the routine matters having to do with organization and administration. In fact, in some cases one is led to suspect that if, in this very situation, some of us realized the importance of that situation, we would not have time to emphasize some of the things which, upon analysis, seem to be relatively unimportant.

Well,—any reference to relative values seems automatically to suggest another instructional problem in properly educating individuals for an intelligent assumption of civic responsibility, bringing us around to that which has been described as, "The World Conflict." Recently, in a very interesting talk with a representative of one of our associations, this individual said, "You know I am getting almost tired of hearing the word democracy." Now, may I tell you, personally, that I am not getting tired of hearing about it, that I think we might well hear a lot more about it. My small plea would be that if there be at this time a vital social situation affecting the world, and the United States, and Pennsylvania; and, if there be such a thing as The American Way and a form of government which we will have and which we call democracy, and, if the educator has an important relation to that situation as we have taught ourselves to believe; then it seems very logical and reasonable to me, that the most important thing that our profession has to do right now, is to provide opportunities for the development of democracy through democracy. And this does not mean academically talking about it.

A Concept of Democracy

May I say, too, that I have a very definite belief and it runs something like this: If this thing which we call The American Way means that we want to be free to worship God, that we want to be free to get for our children the schooling that we desire; that we want to be free to lead a normal family life; that we want to be free to select our vocation; and that we want to be free to participate in government;—then it seems to me that the only way to educate for that kind of democracy is for us, ourselves, to participate,—not talk but participate—in the activities of those institutions and to provide opportunities for our pupils also to participate. If one believes in these things, he ought to support a church, he ought to vote, he ought to participate in a family life, and he ought to try to select his vocation. If that, in a very rough and hazy way, is a reasonable concept of democracy, then our job is, as I see it, to use our professional opportunities to develop it through practice.

If I were asked what is the most important objective for our profession to strive for, I think, as I look over the world social situation, I would state it this way,—"It is to coordinate all of our educational resources so as to further The American Way through practice." I, myself, am convinced that the positive attack is not primarily fighting against many of the so-called "isms," but rather the setting up of a direct counter-attack which will submerge those things which are opposed to the ideal practices of The American Way.

In conclusion, may I say that, in the continual evaluation of our program of education which is our joint responsibility, and in the solution of some of the very important problems which have been considered during this Congress, we shall endeavor to seek common counsel; we shall try to practice cooperation; and we shall attempt to establish and maintain helpful relations.

I. WEDNESDAY FORENOON, OCTOBER 4

General Session

The Forum—9:45 o'clock

PRESIDING, DONALD P. DAVIS
Director, Bureau of Administration and Finance

Assisted by:

RAYMOND W. ROBINSON
Chief, Division of Transportation and Consolidation

H. FRANK HARE
Chief, Division of Secondary Education

THEME: REORGANIZATION OF ADMINISTRATIVE UNITS AND ATTENDANCE AREAS

OPENING REMARKS BY THE CHAIRMAN

On behalf of Doctor Haas, it is a pleasure for me to extend greetings to the members of the Education Congress of 1939.

Welcome to the twenty-first annual meeting of this Congress. Twenty-one years ago this Education Congress was initiated and organized, by the school administrators of Pennsylvania, for the purpose of serving as a clearing house for the common problems that occur, year after year, in the administration of our public schools. We feel that during these twenty-one years this conference has served an important purpose and has assisted educators in formulating far-reaching policies that have done much for the schools of Pennsylvania.

We want your two days here in Harrisburg to be fruitful and satisfactory in every way. If you have business in any of the offices of the Department of Public Instruction, we want you to know that the latchstring is out in every office. We shall do everything possible to help you clear any problems that need to be cleared while you are in Harrisburg.

You will note that the general theme of the Congress this year is: "An Evaluation of the Public School Program of Pennsylvania." The general committee made several valuable recommendations that were incorporated in this program. One of these recommendations was that the field be called upon rather liberally for speakers on the program, in order to make it serve as a clearing house for the problems on the firing line.

The program this morning was arranged with that point particularly in mind. The speakers who are to speak this morning are persons who are administering school systems. They speak out of their everyday experience gained as they face and attack the practical problems of their administrative duties in that part of the State which they serve.

The specific theme this morning, you will note, is "Reorganization of Administrative Units and Attendance Areas," a problem that is always challenging the school administrators of this Commonwealth. The program for this theme has been arranged, you will note, as a symposium. The presentations will consist of a discussion of this important problem as viewed by two county superintendents, two supervising principals, and two district superintendents.

You should note, however, that there is a period of time following these presentations which has been reserved for general discussion from the floor. If any questions arise in your mind as the addresses proceed, will you please reserve them and present them, or any other contribution you might like to offer, in the general discussion period following?

Without taking further time, may we go right into the program. I am glad at this point to introduce to this audience, Mr. Willis E. Pratt, Superintendent of Schools of Erie County, who will be the first county superintendent to present this problem of the "Reorganization of Administrative Units and Attendance Areas," as he views it.

Superintendent Willis E. Pratt (Erie County Public Schools):

I. Introduction

In discussing this problem of the reorganization of administrative units and attendance areas, I feel wholly inadequate, since my experience has been more or less limited to only one county of the Commonwealth. Any justification for the point of view to be presented here must, of necessity, arise from the probability that the county which I represent is more or less typical of the fourth class school districts in Pennsylvania as a whole. Comprising thirty-eight school districts, Erie County employes more than five hundred teachers in schools ranging from one-teacher schools to one which includes more than thirty teachers. Ranging in size from districts which employ only one teacher to one employing fifty-eight teachers, our county may present problems quite similar to those in the majority of the counties in the State.

The problem of larger administrative units and attendance areas involves, I judge, the desire on the part of those interested in improved educational facilities, for more equal educational opportunity for all of the children in the Commonwealth. If one county can be accepted as typical of the others, such inequalities of educational opportunities do exist. If financial support is a criterion, then the children in one district of our county have many times the opportunities which the other children have. If adequate building equipment and instructional materials are sound criteria, then the children in our modern, well-equipped buildings do have more adequate opportunities than those in the poor one-teacher schools of our area. If distance from school and transportation facilities contribute to inequalities in educational opportunities, then many children who dwell many miles from the nearest high school are handicapped. If school offerings affect learning conditions, then many of the children now situated in one-teacher elementary schools and the woefully small high schools do not have the opportunities which are afforded to the more fortunate children who live in more densely populated areas.

II. Advantages Arising from Larger Administrative Units and Attendance Areas

What, then, are the advantages which may be expected to accrue from larger administrative units and attendance areas? (1) In the first place such changes may bring about better organization for administrative and supervisory services to the schools. Many of the administrative functions of the school, now the responsibility of laymen, could be more adequately cared for by professional leaders if administrative units were made large enough to justify the addition of such service. Also, present inadequate supervision in many of the smaller districts might be greatly improved by means of the same service. (2) Perhaps in many cases the physical plant and materials of instruction would result from a reorganization of administrative units. If present conditions warrant the drawing of such conclusions, it can be readily recognized that such conditions are now almost universally better in the larger districts than in the very small districts, as a general rule. (3) Many overlapping services could thus be eliminated. It is probably true in many other counties as well as in our own, that children are transported immediately past schools in one district many miles to schools in another district, or that children who live in close proximity to a school in another district are required to attend a school in their own district some distance away. (4) The inadequacy of districts to provide desirable services in and of themselves is now well illustrated by the joint employment by many districts of services which they alone would find impossible to provide. The increasing practice of employing jointly, school nurses, music supervisors, supervisors of art and of special education are but a few outstanding examples of this practice. (5) The acuteness of the high school tuition problem in Pennsylvania augurs well the difficulties now faced by many small districts. In a number of districts the amount expended for high school tuition has reached such proportions that in many areas the elementary schools of the district suffer untold lack of financial support because of the legal obligations of the districts to provide for the payment of such tuition to high schools in neighboring districts. (6) Finally, and of utmost importance, administrative units of increased size, would provide resources which would often make possible adequate educational facilities not possible within any single district of the proposed administrative unit. These, then, are possible advantages which everyone recognizes would accrue from the establishment of larger administrative units and attendance areas.

III. Difficulties Encountered in Larger Administrative Units and Attendance Areas

If, then, there are so many readily observed advantages in such larger units, why have they not been welcomed by the large majority of our people. That they have not, can be readily recognized if one is sensitive to the wishes and desires of many school patrons in a large proportion of the smaller districts in the State. For many years

proposals for the establishment of such larger units have been made with little apparent success. If we are to face the problem squarely, we must, I feel, be aware of some of the problems and difficulties which will be encountered.

(1) In the first place, we must realize that the school system of the Commonwealth has been based, since its inception, on the organization of political units and that in this, as in many other things, human beings do resist change. This desire to resist change is not limited in any sense to our system of public schools. It has manifested itself in the resistance to change in our court system, in many outmoded social customs, and in most of our other social institutions. And while we, as educators, do not always wish to attach great importance to this factor, it does exist and will, it seems to me, have to be recognized.

(2) People fear a program of larger administrative units and attendance areas because they do not wish to lose the local autonomy of the present schools in their community. I realize that many of such people have been accused of possessing selfish interests in their desire to maintain local control, but I do not think this has always been the case. There are many public-spirited citizens in every community who are trying to provide the best educational facilities possible, who feel that the centralization of authority and control will actually curtail their educational program. I am reminded of just such a case in one of the districts of our county, where community interest in a small elementary school maintained in the district has resulted in the providing for a good school program. And this district is located adjacent to a very large district which would absorb them and which does not care nearly so adequately for their own pupils. There is little doubt that many similar cases are present and they do involve strongly public opinion against such a reorganization of our school system.

(3) Transportation, in the third place, seems also to present a problem in larger attendance areas for which an all-inclusive solution has not yet been found. Granting that opportunities are greater for children in consolidated schools than in poorly equipped one- and two-teacher schools, it does not necessarily follow that under all conditions is this a truism. There are many sections in our county, and I judge a similar situation exists in many other counties, in which the transportation both from the point of view of cost and the length of time spent in travel by the pupils more than outweighs the advantages which may accrue from larger units after the children are brought together. More than two thousand children are now transported daily in our county without any untold hardships to them, but there are many remote sections where the consolidation of schools is not yet feasible. And the public will not accept gracefully consolidation of schools under these conditions.

(4) But perhaps the greatest obstacle to the reorganization of the school systems is the one of financial support. I wonder if many of our problems of better school organization would not disappear if we first provided for more equitable and more adequate school support. We all recognize that real estate is now carrying in many places a much greater burden than we can rightly expect it to carry. While we wish to think of such reorganization as reducing expenditures, we do know that the increased services and educational opportunities which come with such large units and attendance areas may carry with them increased expenditures for education. Much of the public opposition to such plans would disappear, I am sure, if adequate financial support could be found. Many districts which now recognize their facilities as undesirable cannot find a way to support increased costs through transportation and new building programs by increasing revenue from sources of taxation on real estate. I feel sure that the equalization of State support would bring about many desirable changes in the reorganization of school districts if such a plan of financial support to schools could be found.

IV. Looking Toward the Future

Much of the planning for such reorganization of larger units and attendance areas in recent years has proved very valuable, however. It has tended to focus the public attention on the problem as never before and has brought to light many of the weaknesses and shortcomings in our present educational system. Of particular value, it seems to me, has been the County Plan which was recently organized in each of the counties of the State. The mandating of such a plan has resulted in the organization of a program in each county toward which future progress may be pointed. It provides a goal of desirable school organization in each county which will guide future planning.

The creation of the County Board, while condemned by many as a group without power or purpose, will eventually come to be recognized as a valuable aid in better school planning. If such a group only provides its members with the wider point of view of the larger school problems, it should prove its worth. As an instrument to determine the pulse of the community as a whole toward the desirability of proposed school changes from the lay point of view, it should prove invaluable.

No one doubts the advisability or desirability of the reorganization of administrative units and attendance areas in Pennsylvania. Whether such a reorganization can be legislated is a matter of conjecture. Such progressive changes may be brought about, it seems to me, only if the large majority of school patrons and citizens are educated to see the inherent weaknesses of our present organization and to desire the correction of those phases of our educational system which will bring about greater educational opportunities for all the children in all the schools of this Commonwealth.

Superintendent Mervin J. Wertman (Lehigh County Public Schools):

Modern youth justly demands a program of elementary and secondary education that is commensurate with their varying interests, aptitudes, capacities, and with the needs of society for their services and cooperation.

The present organization of school districts, with their varying size, school population, and financial ability to pay for an education program that will result in many social and economic advantages, is both inefficient and uneconomical. It will, therefore, be to the mutual advantage of the Commonwealth, the local school districts, and to the pupils to organize the present small school districts as larger units of administration and attendance areas.

The need of such units can, therefore, be expressed in two words, namely, efficiency and economy. Efficiency results when the educational services can be appraised in terms of educational offerings. It means that the school curricula have been expended and differentiated to meet many of the major physical, intellectual, social, moral, and cultural needs of pupils who must grow and develop in the complex and exacting environment of modern life. Economy, in its truest sense, results only when each dollar expended buys a dollar's worth of service. It means that the enrichment and differentiation of curricula can be provided for the pupils at a reasonable cost only when teachers with special training are employed, when close supervision is maintained, when administration is exercised over a reasonably large unit, and when small inefficient schools, operated and maintained at excessive costs, are eliminated. The issue of the larger unit of administration and attendance is not one merely of economy but rather one of educational efficiency.

The organization of administrative units and attendance areas may be accomplished either by an act of the Legislature or by the action of the county board of school directors, with the consent of the local boards of school directors and the people acting under delegated power from the Legislature.

Education of the children is a State function. All school districts are the creatures of the State and empowered with such rights and duties as the General Assembly may by statute delegate to them. The body that creates can abolish, abridge privileges, give additional privileges and power, or redistrict without fear of extending its powers beyond constitutional limitation. Long existence of small school districts does not give them the right to continue their existence. No school district has a moral right to exist so long as its existence makes impossible the best educational advantages for its children. It has a legal right to exist only so long as the General Assembly sees fit to permit it to exist. The State as an entity has every legislative and moral right to reorganize school districts even though the local districts pay for the operation and maintenance of a school program.

Larger administrative units and attendance areas have been discussed for a number of years. No noticeable progress has been made. Prejudice, tradition, the belief that small districts with inadequate financial ability and meager educational offerings, have an inherent right to continue to exist, adjustment of indebtedness, and interests whose selfish aims relegate the welfare of the children to the background have been obstacles in the attempts to form these units and areas. Unless school authorities put their own house in order in the interests of economy, it is my opinion that the General Assembly may have to reorganize administrative units and attendance areas to the end that the greatest efficiency and economy may be attained.

The reorganization of school districts as administrative units and attendance areas by the county board of school directors acting under power delegated by an act of the General Assembly seems to me to be the most desirable plan.

Whichever plan is used in the development of reorganized administrative units and attendance areas, there are certain basic and guiding principles to be followed.

1. A survey of the economic, racial, and social conditions of the school districts and the entire county is essential for the development of an adequate educational program, a transportation program, and a building program. The topography of the districts, the types of highways, distances, density of population, population trends, social and racial movements affecting population growth, shifts in population due to a depletion of resources or to a decrease in opportunities of obtaining gainful employment, and inventions exert an important influence in reorganizing school districts. For a period of twenty-one years we have studied these factors in developing our program for Lehigh County. We have developed or have in the process of development certain maps and graphs.

Map number one shows the present school district boundaries, the location of the present school buildings and grades taught in each building, and the location and types of school buildings in the reorganization plan.

Maps number two and three show the main or all-weather roads and other roads, principally hard-surfaced roads, and the roads that are on the snow removal program of the State Department of Highways.

Map number four shows the distribution of the school population. Different symbols will show the age groups for the elementary, junior high, and secondary school respectively. The ages corresponding to these groups will be six to eleven; twelve to fourteen; and fifteen to seventeen.

Map number five shows the distribution of pupils of the various nationalities. This type of map should be made at frequent intervals.

Graphs showing the increase or decrease of the school population by grades, the trends in the assessed valuations of taxable property, the increase or decrease in school bonded indebtedness, and the current costs as related to the existing district organization.

2. The development of an adequate program of education for elementary pupils and secondary pupils respectively is essential because it has a definite relation to the types of school buildings needed.

The activities and curricula should find their highest expressions in the life objectives of the children. Those things, which are equally desirable for all, should be offered in the elementary curriculum. Opportunity must be provided in these early days of school life to cultivate habits, skills, and attitudes that are essential to the well-being of all children.

The activities and curricula for the secondary pupils should make available to each pupil the constant subjeets, English and Social Science, and make available such other studies as are needed to prepare students for their needs and occupational or professional opportunities in the community. Music, art, health and physical education, industrial arts, home economics, and library science exert a very important influence in the life of individuals and should be included in the program of education.

The type of activities and currieula offered influence the planning of the rooms in which they are carried on, and also the type of equipment and apparatus needed for attaining the objectives of the school program. These factors are important in planning school buildings.

3. Planning a building program for the future. A program of future building needs will be the outcome of a careful analysis of the trends of population, commercial and industrial development. It is important that industrial and commercial enterprises be analyzed with respect to type, employment, future growth, and location. School population and nationality as factors in determining future building needs, should be traced in relationship to general population growth, public school holding power, non-public school growth, and gradual expansion of education opportunities.

North Whitehall and South Whitehall constitute one administrative area in the proposed reorganization program and provide a good illustration of the development of a building program. The southeastern section of North Whitehall has been an important center of cement manufacture for the last thirty-five years. A large number of immigrants with many children of school age settled here. In addition to two two-room buildings, a new six-room building was required to provide adequate seating space. Since then the school population in this section has decreased to the extent that two one-teacher schools of the township could be closed and transported to the new six-room building. By the time the two old two-room buildings are unfit for use, the six-room building can adequately house the elementary children of this area.

A large number of the people, who live in the southeastern part of North Whitehall, are foreign immigrants of many nationalities. These people follow different methods of locating in a new country. One group settles over large areas and is absorbed more readily. This group adjusts itself more readily to our way of living. The other group settles either in colonies or in already congested areas. These people come from a rural culture area and consider children as economic assets. It generally takes about two generations before this child-ownership concept is changed. Family size begins to decrease with succeeding generations. This decrease and other factors must receive consideration in the development of a school building program. Here, too, improved or newly invented machinery for the manufacture of cement have decreased the opportunities for securing employment. Greater output with fewer people employed is the result, and affects the school population. This decrease in school population in this section of the township is negligible on account of building operations along the main State highway in the western part of the township.

The building program as planned for this administrative unit will include three six-room units and a junior high school for North Whitehall and two elementary units and a junior-senior high school for South Whitehall.

Any planned building program will evaluate all the present buildings in order to determine their availability or rejection in the new program.

Each of the proposed administrative units in Lehigh County is large enough in population, size, and assessed valuation to provide for a junior-senior high school and the necessary number of elementary schools needed for the attendance areas forming the administrative unit.

4. Districts, which have either no indebtedness or an indebtedness whose ratio to the assessed valuation of taxable property is uniform or near uniform should be grouped as an administrative unit and attendance areas. The school districts of Lehigh County were grouped as administrative units and attendance areas on this basis wherever possible. Seven administrative units were formed.

Administrative unit number one includes four townships, Heidelberg, Lowhill, Lynn, and Weisenberg, has an assessed valuation of taxable property in an amount of $2,786,707 and an indebtedness of $3,800. Its school population, grades I to XII is 1,096 pupils.

Administrative unit number two has an assessed valuation of $5,640,256 and an indebtedness of $2,500. Its school population numbers 2,190 pupils. Two boroughs, Macungie and Alburtis, and three townships, Lower Macungie, Upper Macungie, and Upper Milford are included in this unit.

Administrative unit number three has an assessed valuation of taxable property in the sum of $2,630,315 and an indebtedness of $56,527.07. Coopersburg borough, Lower Milford Township, and Upper Saucon Township, which form this administrative unit, have a school population of 1,390 pupils.

Fountain Hill borough and Salisbury township form administrative unit number four, which has an assessed valuation of $4,607,528 and a net indebtedness of $296,181.04. Its school population numbers 14,502.

Hanover, Catasauqua, and Coplay—administrative unit number five—have an assessed valuation of $4,197,030 and an indebtedness of $163,326.06. Its school population numbers 1,428.

North Whitehall and South Whitehall—number six—have an assessed valuation of $5,446,420 and an indebtedness of $240,906.22. Its school population numbers 1,869.

Slatington and Washington—administrative unit number seven—have an assessed valuation of $2,375,269 and an indebtedness of $121,-100.74. Its school population numbers 1,552.

Each one of the administrative units is adequate in size, assessed valuation of taxable property, and school population to provide a complete program of education, grades I-XII. Their plan provides for a junior-senior high school for each administrative unit and a sufficient number of elementary schools to house the pupils of the first six grades in each attendance area.

The adjustment of indebtedness of the various districts has always been a serious obstacle to the organization of administrative units.

In two of the above adminstrative units the indebtedness is exceptionally low and does not interfere with reorganization. In the other five units the building program is almost complete and the adjustment of indebtedness is not a serious obstacle. If, and when, the building program is completed, the indebtedness of each attendance area bears approximately a uniform ratio to the assessed valuation. In our plan we have tried to secure an equalization of costs rather than a redistribution of costs.

5. Costs of the proposed program of organization of administrative units and attendance should be studied to determine whether the potential tax revenue and state-aid are adequate to defray the total expenditures or whether a tax rate must be levied that will impair the administrative unit's ability to exert its initiative in developing a program of education that will develop its educational ideals beyond the adequate educational activities and curricula made available to all the children, irrespective of their residence.

Equality of educational offerings is a beautiful ideal which can never be attained unless the adequate educational activities and curricula becomes the ultimate program for all administrative units. This is neither desirable nor democratic. Adequate educational offerings should be financed by the local tax receipts, state-aid, and an equalization aid if needed. Any educational activities or curricula, which express the unit's educational ideals beyond what the State demands, must be financed by local revenue only.

Reorganization of school districts as administrative units and attendance areas is not only in the interests of economy, but rather in the interests of educational efficiency. In most newly organized administrative units the cost of the proposed program will be increased. There are certain costs incidental to a reorganization program. They are

a. Legal services and other expenses of general control needed in the early stages of reorganization.
b. Capital outlay expenditures needed to complete new building program.
c. Extra costs incidental to the transportation of pupils.
d. Expenses of maintaining small outlying schools that cannot be accommodated at first.

However there are certain economics that can be affected by the larger administrative units. These include

a. Insurance.—A "blanket" form of insurance that provides 100 per cent coverage in the event of fire loss on the individual pieces of property, while premiums are paid on a basis of ninety per cent of replacement values, a saving of ten per cent on the total coverage. Stabilizing the item of insurance in the annual budget by writing all fire insurance on a three year's premium basis with one-third of the total premium due each year.
b. Central the control of school buses and thus make possible a fleet rating with consequent reduction in cost of public liability and property damage insurance, and fire and theft insurance.
c. Centralized purchasing, covering supplies and equipment. Gasoline, oil, tires, equipment; antifreeze solution can be purchased at wholesale under favorable contracts. Cash discounts can be secured on purchases of material.
d. The closing of small one-teacher schools. In four of our districts which are to constitute an administrative unit sixteen one-teacher schools could be closed. The closing of these schools would bring about efficiency and economy. Each child would be enrolled in a room with two or three grades enrolled. Enough money could have been released to pay for the tuition and transportation of their non-resident pupils to a secondary school. It is my firm conviction that these small one-teacher schools, in which the annual current expense cost per elementary pupil in average daily membership ranges from $90 to $157, should not be permitted to continue without the sanction of the State Council of Education.

Lack of time compels me to end this discussion. I shall close by expressing the hope that in the near future we may agree on some definite plan for reorganization which will become a reality rather than a beautiful plan hastily conceived, accompanied by disappointments, and the incurring of expenditures that bring very little or no returns. I shall also take this opportunity to submit certain recommendations.

Recommendations

1. That administrators, school directors, and teachers aid in completing an accurate survey of the topography, population, economic, social and cultural conditions, and such other factors as will contribute to the development of a sound program of organizing administrative units and attendance areas to the end that the completion of this program will result in efficiency and economy.
2. That a continuing census of children from birth to seventeen years of age be made mandatory and that the school census enumerators have certain qualifications for this work so that the results will be accurate and can be used for planning for the future.
3. That an accurate appraisal of the present school buildings be made in order that it can be determined whether the type of building, the locations, and the size of the ground can be used or remodeled to fit into the adopted program.
4. That the State determine the number of appropriation units to which a district is entitled for reimbursement on account of teachers' salaries and equalization.
5. That the Department of Public Instruction with the approval of the State Council of Education develop an adequate program of education that will meet the life needs of all the pupils. That this program be defined in terms of activities and curricula and in terms of costs. Costs shall not include expenditures for transportation and capital outlay and debt service.
6. That no district be penalized in state-aid on account of a change in classification; that the rates of reimbursement be charged to the end that financial distress may be eliminated; and that, when this increased state-aid is not adequate to provide a program of adequate educational offerings, this adequate program be financed completely by such amounts as may be needed from the equalization fund.
7. That the tax rate be equalized for current expenses.
8. That special aid be given both as an incentive and a corrective for costs of transportation, debt service, and capital outlay, and that this special aid be given to relieve a district of the increased cost of organization during the first years.

   Note. It assures local districts that they can organize administrative units without incurring any extra taxation merely because they have reorganized. Fear of higher taxes has retarded reorganization in the past.
9. That transportation be placed on a business basis and that reimbursement for transportation costs incurred be on one basis in place of the dual unequal reimbursement aid paid on account of district-owned transportation and contract transportation.

Supervising Principal Oliver R. Floyd (Avonworth Union School District):

No problem has been more consistently the concern of the professional leadership of the State than that of the efficient organization of local school districts. A significant aspect of this question involves the size and number of administrative units and attendance areas. In spite of the work of individuals, committees, and other groups, and of the legislation which has appeared as a result of their studies, Pennsylvania today still has some twenty-five hundred school districts. It has been suggested that if school district organization could be redesigned for maximum efficiency, this number could be reduced to perhaps five hundred.

Thus, it is evident that even with the passage, by the 1937 Legislature, of the act which is embodied in the School Code, as Section 108, much of the work involved in setting up more adequate administrative units still remains unfinished at the present time. In bringing about this reorganization, State, county, and local administrators face, in many instances, opposition founded in local tradition, in the desire to retain in small communities complete authority to manage schools, in the opposition to the idea of transportation, and in the failure of the general public to appreciate the advantages of maintaining modern schools. Therefore, it is important that those of us who are actively associated with the administration of the schools keep always in mind a clear realization of the importance of the problem, so that we may eventually evolve a district organization which will make possible in every community an adequate program of education.

I should like to review briefly some of the factors which, I believe, make it imperative that we continue to work for the reorganization of attendance areas and administrative units.

1. Reorganization will be necessary to meet the demands for extended educational services.

Everyone is familiar with the fact that the period down to 1930

represented a tremendous expansion in numbers of pupils enrolled in the public schools. During this period, elementary school enrolment trends corresponded quite closely with population growth until by 1930, in the nation as a whole, about twenty-three million pupils were enrolled. This period also saw a great influx into secondary schools, so that at its close, about two-thirds of all children between fourteen and seventeen years of age were enrolled in high schools.

Following 1930, a declining birth rate has meant a corresponding decline in enrolment, particularly in the lower elementary grades. In the United States there has been a decrease in elementary school enrolment of approximately five per cent since that time. I believe that statistics compiled for the state of Pennsylvania indicate a still more marked decrease for our own State. Eventually, secondary school enrolment will show the effect of this declining birth rate, but since young people of secondary school age must now, for the most part, choose between further attendance at school or idleness, this decrease is not likely to become quite so pronounced for some time.

Even in the face of these declining enrolments, however, it seems to me that the next several decades are likely also to be periods of expansion, but in a different sense. This expansion will be found not in absolute numbers enrolled in the conventional twelve-year school system, but in meeting the demand for extended educational services. Let us see in what areas these demands are likely to be manifest.

Taking a long view to the future, I think we shall probably see the downward extension of the public school system by the more general inclusion of kindergarten and nursery school units. In this country, an increase of forty per cent in the number of regularly organized nursery schools from 1930-1936 has been reported. A primary school including grades I and II and the nursery school and kindergarten has been proposed as the first unit in the public school system. This would tend to eliminate much of the rigidity and formalism of the first two grades and be in line with the findings of child psychology and the best standards for the development of the elementary school curriculum.

The future will also see, in my opinion, a marked reorganization of the whole elementary school program. Both the social responsibility of the school and the results of research in child development call for expansions and modifications at this level. These adjustments will involve changes in the physical plant as well as in the classification of pupils. For example, a good program of elementary education will call for gymnasium, library, and auditorium facilities, as well as rooms for music, art, home economics, and shops of various types, features which are not characteristic of the majority of elementary school plants today. In spite of the present tendency to minimize grade classifications, children must still be organized into groups so that a teacher, equipment, and instructional supplies may be provided. In the future, these groups will be based on the physical, social, and intellectual maturity of the child. This will call for the organization of separate classes for at least a part of the school day for those of low ability, for those of superior ability, and for those with a variety of special disabilities. We may find that best results in such special classes may demand the formation of groups with enrolments of less than a dozen, perhaps of only five or six. In the general program of instruction, it will probably be advisable to restrict the groups to twenty-five or thirty. Even with decreasing enrolment, therefore, we should probably maintain the number of teachers at the present level, or even increase the number.

In the years which are ahead, a corresponding reorganization will be found essential in the curriculum of the secondary school. We have not yet sufficiently determined what general education should be provided for all, or what special opportunities should be included to prepare high school pupils for vocations or for higher education. It is becoming increasingly clear, however, that the narrow academic program, characteristic of the majority especially of our smaller high schools, is not enough.

Just as we may foresee the downward extension of the public school system, there are even more evident signs that the next ten or twenty years will witness the demand for the upward extension of our schools to include the junior college. Eels has reported that the number of junior colleges increased twenty-seven per cent from 1927 to 1936. Only about forty per cent of all junior colleges are publicly controlled, but two-thirds of the students attend public junior colleges. California, Texas, and Iowa lead in the number of public institutions of this character, but it is likely that other states may also be called upon to move in this direction. The difficulties of young people in finding employment before the age of twenty and the growing realization that a longer period of schooling is necessary to meet the demands of citizenship in our complex society, will further the development of this movement.

It also seems to me that in the decades which are ahead, we may be called upon to assume in the public schools a larger responsibility for adult education. A marked demand for education among people of post-secondary school age is already evident. The American Association for Adult Education estimates that in 1934 there were approximately fourteen million adults enrolled or participating in some sort of organized educational activity. About a million of these were enrolled in private correspondence courses. Fifty thousand were receiving training by corporations, three hundred thousand were in university extension classes, four hundred thousand in vocational education, six million in agricultural training, and a million and a half in miscellaneous public school courses. Many reasons could be advanced for the inclusion of much of this work in the public school. Educators must be concerned with all the influences which are brought to bear on the thinking and behavior of those beyond ordinary school age. As the problem of the school comes to be envisaged in continuous growth and development, rather than in the storing of the minds of young people with information, the implication for adult education is obvious. Then too, shifts in employment caused by technological improvement and other factors will necessitate the frequent retraining of workers and their adjustment to different types of work experiences. As the seriousness of these problems becomes increasingly clear to the general public, there is likely to be a demand that the public schools make greater contributions to their solution.

If, as I have suggested, the decades which lie ahead are to represent a period of expansion for public education by acceptance of responsibility in these or other areas, it is pertinent to raise the question as to whether our present school organization will be adequate to take care of these increased demands. As the schools of Pennsylvania are now organized, only a few of the more favored districts, even if given substantial assistance from the State and Federal governments, would find themselves in a position to develop adequate programs in these areas. If we are to keep in mind the ideal of providing equal educational opportunity for all, it is apparent that district organization must be thoroughly revised to assure attendance areas large enough to furnish an adequate plant and administrative and instructional services capable of carrying an increased educational load at a reasonable cost per pupil.

2. Reorganization will be necessary to provide a basis for improved methods of financing schools.

In addition to the necessity of developing administrative units of sufficient size to provide for the extension of educational services which will keep the school in pace with social demands, reorganization of local districts will also be essential if such a program is to be adequately financed. To many school men it will seem highly impractical, or perhaps ridiculous, to consider the further extension of the public school system or even an extensive reorganization of instruction in the grades commonly included in our schools, in the face of the great difficulties which many communities are experiencing in financing even a limited program. We must recognize the fact that in our own State there are many of our present school districts which, without heavy subsidy, would be totally unable to bear the cost of these expanded services. It is not appropriate at this point to discuss at length school finance in Pennsylvania. These problems of school support are well treated in the recent report of the Committee on the Survey of School Costs of the Pennsylvania State Education Association. We may point out, however, that this and other investigations have shown that the only answer to our present financial difficulties seems to be sought in a thorough revamping of the tax structure and in an increase in the proportion of school costs to be borne by the State.

As a profession, also, we have indicated our approval of increased Federal subsidy for education. Both State and Federal aid should be used primarily to overcome the inequalities of various sections in their ability to support a program of education. It should be evident that one of the essentials to a proper functioning of any plan of State and Federal aid must be the reorganization of administrative units and attendance areas. We should not expect to continue to use public funds to perpetuate a small district organization which means either large per capita costs or an undesirably restricted program. A first requisite is a local district organization which will function

so that each community or area can operate efficiently within the limits of its own resources. Neither should we be satisfied to permit the benefits which should result from the greater subsidy of local effort to be nullified by a desire on the part of a community to maintain an uneconomical unit. We should not, because local pride, jealousy, or simply inertia stands in the way, expect the taxpayers of the State or Nation to help any local community to maintain even an effective school program, when a study of the situation indicates that through appropriate mergers or consolidations an equivalent program could be carried out at a considerably reduced cost per pupil.

3. Reorganization is necessary to preserve a measure of local control.

As has just been suggested, it is becoming increasingly clear that if all children are to be extended comparable educational advantages, local resources must be significantly supplemented by State and Federal appropriations. Many people see in this fact danger of the loss of local control. To a certain extent, some standardization of educational procedures within a state or the nation may be desirable for purposes of uniformity. However, the schools of a democracy must always be close to the people and subject to variation in terms of the needs and interests of the local communities which they serve. This attitude is reflected in proposals of Federal aid which specify grants of money from the Federal government with the authority to control the expenditure of these funds left in the various states. It seems inevitable, however, that as increasing amounts are appropriated to the support of schools by bodies far removed from the local community, there will be present in the situation at least the possibility of the reduction of influence on the part of the individual community. In my opinion, there will be a better chance to maintain the prestige of the local district if administrative units and attendance areas are of sufficient size to justify a complete program of education under the jurisdiction of a single school board and under the direction of a single administrative officer. Local autonomy will also be more secure if the unit is large enough to permit the employment of a trained and competent administrative personnel. There are some fourteen hundred school districts in the state of Pennsylvania which do not operate schools beyond the eighth grade. The merging of these districts to form new units which could administer both elementary and secondary education, would serve to give the people, through their elected representatives, an opportunity to participate in the formation of the policies under which the total school program shall operate. Only as the local district represents an administrative unit headed by a board of directors which is in a position to take under review the total public school program from the first grade through the twelfth, and thus to bring about the proper articulation between these units, can the individual district remain the significant factor which it ought to be. Only as the district can offer to its chief administrative official a salary and a scope of responsibility which will attract and hold a man of capacity and training over a sufficient number of years to bring about a continuous administration of this locally determined policy, can the prestige of the community be kept at such a level as to have same chance of offsetting centralizing tendencies.

Many other justifications can doubtless be advanced for the continuing study of the reorganization of administrative units. However, it seems to me that in the need for achieving a district organization which will provide for the improvement and expansion of educational services, for the possibility of financing this program in such a way as to make its benefits available to all, and which will lay the ground work for the continuance of a measure of control by the individual community, we have sufficient reason to place this problem in an important position among those affecting education in Pennsylvania today.

Supervising Principal Eugene K. Robb (Bedford Public Schools):

Recent Federal, State, and private investigations in the field of school administration have led to some commonly accepted terms in the study and discussion of satisfactory local school units for attendance and administration. In the first part of this discussion, I have taken the liberty of referring frequently to two such studies which, to my mind, are basic and important to the student interested in the problem before us. They are the recent United States Office of Education Publication, *Principles and Procedures in the Organization of Satisfactory Local School Units,* by Alves and Morphet, and the Field Study No. 7 of the George Peabody College for Teachers entitled, *Satisfactory School Units,* directed by Howard A. Dawson.

In these studies, a school attendance area is defined as "That geographic subdivision of an administrative unit which is served by a school." A local school administrative unit is "That geographic unit comprising all the area under a single system of school administration." The school or schools in a local administrative unit are controlled by a board of education of which the executive official is usually the superintendent of schools. It generally constitutes a local taxing or fiscal unit, defined as "That geographic area which serves as the unit for local school support." According to a joint report of Federal committees on attendance areas and administrative units under the chairmanship of J. C. Morrison and E. L. Morphet in 1935, "It is the function of the public school to provide an adequate educational opportunity for every child from the time he enters the school until he is ready to take his place in adult society." Such an adequate educational opportunity includes guidance in social living; a health and physical education program that provides periodical examination for all children, corrective treatment for those who need it, recreation and play facilities, and guidance in healthful living during the twenty-four-hour day; mastery of the common integrating knowledges and skills; an adaptation of the program to the needs of children who may be in any way socially, physically, or mentally handicapped; a corresponding adaptation of the program to the needs of those children who are specially talented; the development of appreciations, abilities, and expressions through the creative arts; opportunity for growth through manual activity—practical arts for the younger children and industrial and household arts for the older children; for older children, prevocational studies leading to later specialization in the skilled trades, and vocational preparation at the lower levels for those who must seek employment at the close of the secondary school period; organization of curriculum materials around the idea of child growth or development rather than through a group of more or less unrelated subjects.

Dawson has presented characteristics of public schools that will contribute to the most effective realization of these major purposes on the basis of analysis of existing conditions, research findings, and expert opinion. He concludes that elementary schools should offer six years of instruction; have a desirable minimum of seven teachers or an absolute minimum of six teachers; have an average of approximately a minimum of 240 to 280 pupils per school. High schools should offer six years of instruction, or three years of junior high school instruction and three years of senior high school instruction under separate organization; have a desirable minimum of ten teachers or an absolute minimum of seven teachers; have an average of approximately thirty pupils per teacher in a six-year high school, thirty-five pupils per teacher in a junior high school, or twenty-five pupils per teacher in a senior high school; have, therefore, approximately a minimum of 210 to 300 pupils in a six-year high school, 245 to 350 pupils in a junior high school, and 175 to 350 pupils in a senior high school. All schools should be housed in plants that are consistent with acceptable standards, that are properly and efficiently operated, and are equipped with textbooks, instructional materials, and library facilities. Schools should be in session for at least thirty-six weeks per year. Transportation facilities at public expense should be provided for all children who live more than a reasonable walking distance from the school. By noting the suggested minimum size of the schools mentioned, an indication may be gained of the minimum suggested size of attendance areas for these schools. There are those who are in doubt as to the effective provision for meeting the stated functions of the school in organizations as small as those suggested for an approved minimum size. The attainment of the goals set in a school staffed by from six to ten teachers would seem to call for abilities and qualifications not now possessed by many such instructors.

The same authority concludes that the absolute minimum size of a local unit of school administration should have approximately 1,600 pupils and forty-six teaching units if the cost of such administrative services is to bear a reasonable relationship to that of the educational program of the administrative area. However, if a combination of functions and services in more than one major field by any individual in the personnel of the administrative and supervisory organization is to be avoided, a local unit of school administration must include at least 9,800 pupils and 280 teaching units.

If such standards and characteristics approximate the type of schools, attendance areas, and administrative units which will most nearly meet the functions of the public schools and bear a reasonable relationship in cost, why then has the progress been relatively slow in the acceptance of such standards by the public and by local school districts?

Opposition to discontinue existing schools or to change the boundaries served by them is difficult to overcome. In attempting to meet such opposition those who are now charged with the operation of larger schools must clearly demonstrate that such schools can actually do a more acceptable piece of work in meeting the needs of modern youth and in accomplishing the purposes of the respective organization—either elementary or secondary. There are those who would question this premise. If it can be shown that the balance weighs heavily on the side of the larger school by practical example, the public will soon be heard in its demands for the same opportunities in those areas where such facilities do not now exist.

The problem involves patient and careful planning on the part of those charged with this responsibility both on the part of the State and on the part of the local districts and county boards in carrying out the obligations delegated to them by the State. Established school centers for attendance areas have a right to definite assurance of the school population to be served for some time in the future. This is especially true where present administrative units as they exist in the State coincide with legal school district boundaries and where they are providing for attendance areas whose lines frequently extend for a considerable area beyond the borders of present local administrative responsibility. It is difficult for school districts as now constituted to plan buildings, equipment, and school services for enlarged attendance areas when there is little certainty as to the permanency of such a plan. Once carefully established with the approval of the county boards and the Department of Public Instruction it should be the obligation of the State to give a reasonable degree of permanence to the program.

Small, poorly equipped schools, who can neither meet the aims and objectives of the modern school nor the minimum prescribed program of the State, should not be encouraged either by approval of county boards or of the Department of Public Instruction to attempt to increase their programs in competition with larger schools beyond that which can be justifiably offered at a reasonable cost and with reasonable efficiency in regard to quality of work offered. Such practices could conceivably retard a program of reorganization.

The solution of the transportation problem will aid not only the supporting district, but also the educational opportunities of many potential secondary school children who are not now able to attend high school due to lack of such service. Compulsory school attendance would then apply to all children. If such legislative action is beneficial for those children residing within legal walking distance of school, why should it not apply with equal force to all? At least, should not the same opportunities be afforded those of secondary school age as those now effective for those of elementary school age? It is to be admitted that this problem is closely related to the fiscal policy of the State as applied to the support of its schools which is now being studied by many allied organizations of the Commonwealth.

If such services are to be offered in reorganized schools in conformity with the stated functions of such institutions an apparent shortage of competent teachers in some of the special fields must be overcome. This is particularly true in such areas as commerce, home economics, industrial, and agriculture. The same lack of available service exists in certain supervisory functions at present. This problem must not be left entirely to the training institutions for solution, but should become of immediate concern in our guidance programs in our own institutions. A reemphasis on the teacher recruitment problem is in order.

As indicated by Alves and Morphet, regardless of studies that may be made, plans that may be set up, or permissive legislation that may be passed, local school units will exist in their present form as long as the public believes that the existing organization is satisfactory. Modifications will be made in these plans only when the people are convinced that the changes will result in benefitting the public by improving the schools. The support of local educational and lay leadership should be solicited in carrying out county plans for reorganization, if not actually participating in their establishment. "Although the public cannot be expected to follow all technical details of the program, it should be made to realize that the changes proposed will result in better schools at a reasonable cost; in short, it must appreciate the necessity for and consequently favor the general idea of improving local school unit organization." [1]

[1] Alves and Morphet: Principles and Procedures in the Organization of Satisfactory Local School Units. U. S. Office of Education, Bulletin No. 11, p. 84, 1938.

Superintendent Hobson C. Wagner (Hollidaysburg Public Schools):

Public education as a State function has been established by the constitution, by legislation, and by the rulings of the courts. It is the duty of the State to guarantee to every child adequate educational opportunity. It must appropriate money to further this end and to see that this money is efficiently expended. To fulfill these obligations, it is necessary for the State to function through larger units than obtain at present.

Experience has shown that the best way to secure larger units is to place regulatory power in the hands of the State, authorized by law. Dr. Frank Cyr, of Columbia University, has proposed the following general principles. First, larger units must conform to the purposes of education in a democracy; second, they must not violate the right of local control; third, they must fit the social structure in which they operate. It must then be the duty of the State to formulate plans, techniques, and standards, and it must interpret them to educators in the field and to the public. It must consider the welfare of the State as a whole, reserving the final decision of mergers to the people. The influence of the State should be advisory rather than compulsory, seeking to coordinate all of the groups participating in the enterprise.

The depression is blamed by some critics for many of the ills of public education, but it has merely exposed the weakness of the prevailing administrative structure. The prevalence of this weakness is evidenced by the surveys made by the Federal Office of Education, and by the attempts of the various states to reach a solution.

One-half of the farm children of the nation are today attending 138,000 one-teacher schools, while rural high schools average eighty-seven pupils and four and two-tenths teachers. There is one school board member for every two teachers throughout the country.

Each state must formulate its own plan for establishing larger administrative units and attendance areas. We, in Pennsylvania, have approached our situation by partial legislation and by cooperative study. Laws sanctioning larger units were passed in 1901, 1911, 1921, and 1937. Since 1925 there have been seven State studies on this problem. With all the concern that has been shown by educators, very little progress has been made in creating larger administrative areas. From 1921 to 1937, only two mergers were formed under the Union School Bill, and since 1937 there have been three mergers formed.

Pennsylvania today has 2,585 school districts of which 2,410 have less than 5,000 population, and 1,423 do not maintain high schools of any kind. One hundred eighteen districts have only one teacher. There are about 5,000 one-teacher schools. Thirty-eight (38) districts have less than $500 assessed wealth per child and some districts have less than $10,000 true valuation per teacher.

Under conditions such as these, the State cannot fulfill its obligation to offer equal educational opportunities to every child. Small school districts, because of limitations of wealth or pupils, cannot offer complete and continuous educational service. They cannot provide in full such essential features as visual equipment, teaching aids, special education, music and art supervision, adequate teacher salaries, home and school visitors, diversified high school curricula, adequate school plants, school nurses, dental hygienists, library services, adult education, business administration, planned transportation, and rich elementary programs.

Separated, these small units are weak; united, they may be strong. Under the present organization, each district meets its problems in the light of its own needs, when frequently cooperation would be beneficial. This can be well illustrated in transportation. One high school area has seventeen tuition districts operating buses. Three of these conveyances with incomplete loads travel through a fourth district which provides its own transportation. Many duplications of such service can be found in our State. And to show the inequality in opportunity offered in small districts, we, in Hollidaysburg, have 535 non-resident pupils and not one transported at public expense.

Another weakness can be illustrated with a situation in Hollidaysburg. North of the town there is a two-room school in Blair Township. Pupils come from three sides of Hollidaysburg, walk through the town passing within two blocks of our elementary schools to reach this two-room school. We have an elementary teacher-pupil ratio of 1-26.

A major argument advanced in support of small school districts is their democracy. How democratic are they? There are 1,423 districts which do not maintain high schools of any kind and which

must of necessity send their pupils to a neighboring school. What rights do these people have in high school districts? Do they elect board members, teachers, administrators? Do they have any voice in determining the expenditures on which their tuition charges are based? Do they have a clear avenue of approach to those in authority?

What means other than supplication is open to the people of these 1,423 districts in the high school education of their children? Who can doubt that the educational services rendered their children would be more efficient if these people had power in determining policies. Tuition districts may have partial democracy in their elementary schools, but they have none whatever in high schools. About one-half of their tax money is expended without control by them.

One major question in planning larger administrative areas is that of size. How large should an administrative area be? The larger unit is not an end in itself, but merely a better means for the efficient operation of education. It should be suited to the social and economic situation which it serves. It should not be so large that any pupil must walk more than two miles or ride more than one hour in a school bus. It should be large enough to offer complete, continuous, and uniform educational service. It should be large enough to provide a well-rounded elementary and high school program, auxiliary services, adult education, adequate supervision, special education, and business administration. It should be large enough to avoid the necessity of calling upon other districts for educational service. Dr. Howard A. Dawson, of the N. E. A. recommends a population of at least 8,750, and a pupil enrolment of 1,750. Accepted Pennsylvania standards have been 1,600 pupils and forty-six teachers. Even areas of this size will have difficulty in meeting all of the requirements of a complete educational program.

Why has the progress in the establishment of larger units in our State been so slow? There are many social objections to overcome. Districts have been established for a hundred years and the people do not understand the necessity for changing them. Some objections are raised in having one political subdivision for municipal affairs and another for school affairs. School board members are reluctant to relinquish positions of power and prestige. Former pupils of schools believe the education they received was satisfactory and it should be so now. Opposition to transportation moves some people to oppose mergers and antagonism between communities may affect the problem.

In the financial field we meet serious difficulties. Difference in wealth, per capita taxes, and rates of assessment cannot be adjusted without a strenuous opposition. Variations in indebtedness cause disputes, often unjustifiably so. The largest debts are assumed by the wealthy districts which have the means to liquidate them. Debts other than those for current expenses are incurred for assets such as buildings and grounds. It is quite possible that the assets accruing to a merged district from any one of its members may far exceed its debt obligations. In 1936, Hollidaysburg erected a senior high school building through the P. W. A. to accommodate its own high school group and 500 non-resident pupils. If Hollidaysburg should merge with its tuition districts the merger would have to assume the $135,000 bond obligation incurred for the erection of the building. But the merger would receive a high school building worth $275,000.

Why should any of the tuition districts hesitate to join the merger because of this debt? In fact, the necessity of erecting a high school building was caused by the attendance of the non-resident pupils.

In Pennsylvania, we have serious legislative limitations in organizing larger areas. It is recommended that merged districts have more than 5,000 population, which would place them in the third class. The $200 appropriation for closed schools, previously received by individual districts, would be denied such merger because the law bestows this blessing only on fourth class districts. The salaries of all elementary and high school teachers would have to be raised to satisfy third class requirements, and no legislation provides appropriation to meet this added expense. Appropriations to fourth class districts of fifty per cent classification would be reduced under third class schedules to thirty-five per cent of the minimum salaries.

Section 1711-A, of the School Laws, provides in certain cases for an appropriation of $20 per tuition pupil. The recent amendment to this act, operative in 1941, has increased this appropriation, and makes it available to all tuition districts according to the real valuation per teacher. All such appropriation would be lost when tuition districts merge with districts maintaining high schools. Legislation for appropriations has not been favorable to the formation of larger units, and in practice has sometimes been directly opposed to merging.

Let us consider how these financial limitations affect a merger of Hollidaysburg with its tuition districts. Hollidaysburg has a 6-3-3 plan and enrolls 535 non-resident pupils who enter high school in grade IX. These pupils come from eight districts and receive their elementary education in fourteen one-room schools, eleven two-room schools, and one eight-room school, all open for eight months each year. The high school area defined by the tuition pupils would be a natural area for a merger.

At present, assessments in these districts vary from fifty per cent to seventy-five per cent of the real valuation. Per capita taxes range from two to five dollars. Tax rates vary from fourteen to thirty mills. These differences would present serious obstacles.

Appropriations would further adversely affect the merger. Eight hundred dollars ($800) appropriation now received by two districts for closed schools would be denied. Amended Section 1711-A, operative in 1941, would provide $14,938 to tuition districts, and this would be denied the merger because there would be no tuition pupils. The salaries of the teachers would have to conform to the third class schedule at an additional cost of $19,654. Increased teacher appropriations would accrue amounting to $6,800. The net cost to the merger in loss of appropriations and in increased teacher salaries for the same type of education now rendered, would be $28,219, or approximately six mills on the tax rate at 100 per cent collection. It is true that certain savings could be affected by the merger, but also increased costs would be made by expanding services. One can hardly expect the Department of Public Instruction and administrators in the field to encourage a merger when such serious financial losses must be faced.

The movement for larger units must overcome social, financial, and legislative limitations. No appreciable impetus can be given to this movement until favorable and sympathetic legislation is passed. When Adam plucked the apple in the Garden of Eden, some of the blame was placed upon Eve and some on the serpent. We have failed to give enough credit to the temptation of the apple. Larger administrative units and attendance areas will not prevail in Pennsylvania until some financial "apple" is dangled before the eyes of the people.

Superintendent G. Arthur Stetson (West Chester Public Schools):

We have been asked to discuss reorganization from the viewpoint of how it will affect our particular districts. It seems to me that the subject resolves itself into three main problems:

1. Transportation of pupils
2. Housing the increased enrolment
3. The equitable distribution of costs

Other administrative problems would be helping the outside pupil to properly orient himself in a new situation and the effect of tenure in the keeping and selecting of those teachers from the districts "anschlussed."

West Chester is so located that the transportation problem can be easily met. Housing will be a problem, because we are already crowded. Undoubtedly, some form of building program would have to be undertaken to meet this new situation.

The greatest problem, and the hardest to solve, will be the cost problem. This resolves itself into two main costs:

1. Taxes, present and future
2. Distribution of indebtedness

Districts will look at reorganization from the viewpoint of an equal, higher, or lower tax rate. How will the district fare in a merger as compared with the present basis? What will be the future outlook? Will costs increase and cause a tax increase, or, will enough savings be effected to offset any necessary building and transportation expenditures? Districts will, also, shun assuming a larger proportionate debt from another district. However, if tax rates can be kept at the present level, even this objection may be overcome.

This may seem like a narrow, or even cynical, viewpoint to many of you schoolmen, because you say, "What of the improved conditions for the pupils; such as, music and art supervision, health and physical education programs, exploratory courses, vocational and industrial arts and home-making programs?" This is true, but the public right now thinks that the pupil is pretty well cared for.

Cost adjustments may have to be overcome by the State assuming certain ones of them; as, capital outlay and disproportionate district debts. This would be fair, because the larger welfare of the pupil is of prime importance to the State rather than to the local district.

The local district trains primarily for the local district. Above and beyond that comes the interest of, first, the State and, then, the Nation. A local district should not be made to stand unusual financial burdens for the State's special interest even though the local district may be better off educationally. School districts, as people, often are too poor to economize. Increased debt in these cases is out of the question.

West Chester is now a center for our area in the secondary field. Years ago we tried to have it a center in the elementary field by having districts within a radius of five miles send pupils to us. This failed and today we have numbers of small schools on our boundaries. We stand ready in all respects today to go into a larger attendance area and to give and take within reason on the distribution of costs. We do want, however, the assurance that any arrangements agreed upon would be progressively permanent.

General Discussion

Chairman Donald P. Davis:

The Bureau of Instruction in the Department of Public Instruction has to do with the educational programs which the reorganization of administrative units and attendance areas vitally affect. Such educational programs are the purpose for which reorganization is intended. At this time we are ready for the general discussion following the forum presentations, and I am going to call upon Doctor Cressman, Director of the Bureau of Instruction, to open this discussion.

DIRECTOR PAUL L. CRESSMAN *(Bureau of Instruction):*

Doctor Davis and members of the Education Congress, I want to assure you that I have only one page of notes. My job is to provoke discussion, and I believe you have been thoroughly stimulated by this time to enter upon a discussion of the topic. I have four points:

After much experimentation with regard to consolidation of schools, it has seemed wise—

1. That the State Department of Public Instruction prepare guiding principles for the determination of adequate administrative units and attendance areas.

   The State Department is too far removed from many local situations to determine appropriate groupings of school districts with the many factors that need to be taken into consideration. The State needs to decentralize this work and place this planning in the hands of the county and district authorities.

   Are these principles sound? Wherein can they be improved?
2. That the county board of education, under the direction of the county superintendent, set up at least tentative plans for attendance areas and administrative units.

   A splendid beginning has been made along this line. The cooperation of the county superintendent and the county board of education in this very difficult project has been most commendable and most helpful.

   Are your county plans satisfactory? Do you wish to modify your county plan?
3. That county superintendents and county boards review their plans with superintendents and boards of education in first, second, and third class districts affected by the county plans.

   In many counties the county plan very vitally affects the program in first, second, and third class districts. These school boards and superintendents should be consulted. This should be a cooperative project in which the best interests of the boys and girls should be the primary consideration.

   Have the county plans been discussed with superintendents in adjoining districts?
4. That the State Department of Public Instruction be guided by these county plans in the expansion of the educational programs. Do you agree?

   What are some of the major difficulties which hamper the organization of adequate administrative units and attendance areas?

SUPERVISING PRINCIPAL H. O. SPEIDEL *(Pine Grove Public Schools):*

I would like to raise two questions. First, Mr. Wagner has given us some figures on the number of union districts which have been formed. Has there ever been a study made as to the comparative costs of operating individual districts before a union or consolidation was formed and of the costs of such districts after a merger has been effected? Secondly, how can we at home, in districts which would be affected by consolidation, do something to implement it and aid the county superintendents, county boards, and the Department of Public Instruction? Since the State Legislature is the controlling body and the public pays the bills, is public relations the answer?

ASSISTANT CHAIRMAN RAYMOND W. ROBINSON:

Answering the first question, there have been numerous studies made with regard to the cost in the reorganization of attendance areas, but, so far as I know, there have been no studies made concerning the comparative costs to which you refer. Mergers are relatively young.

Mr. Wagner reported that they had not made any definite attempt to make a comparison of the cost, but it seems that the thing that has been attempted is to expand the services and educational opportunities to an extent where it is not now costing less to operate the schools than before, but they may be made to offer more service, thus having each tax dollar bring more return. I do not feel that in many of these mergers we shall see rapidly decreasing school costs.

CHAIRMAN DONALD P. DAVIS:

The second question of Mr. Speidel, if I caught his statement correctly, is, in effect, what can be done in local school districts to further this reorganization. Is there any reaction to that question by anyone?

SUPERINTENDENT THOMAS FRANCIS *(Lackawanna County Public Schools):*

I think the speakers this morning have presented the problem and its difficulties as well as anyone could. We shall have to offer these districts a little incentive. Those county superintendents who have gone through the consolidation of schools in their counties realize that in such consolidations where we could offer vocational courses with increased Federal and State appropriations, and an additional $200 for each one-teacher school closed, the people were inclined to favor consolidation.

Now, in making these mergers of one district with another, we have nothing to offer them. We say to a district that has no high school, "You come in and assume a part of the burden in this large area, but you will not receive any appropriation on your high school students." Those districts who have no high school now benefit because they get some appropriation on their high school tuition. We should expect them to say, "What is the use of joining with another district,—we will benefit more by staying where we are?"

Another case that has not been mentioned is that of the joint school district. In some areas, joint boards could merge and become large enough for an administrative unit. They say, "What is the use of our merging, since if we stay as two, we shall get additional appropriation because we are a joint district. By merging we lose $300 a year and we lose all the appropriation we get for closed schools." I believe that if there were some incentive that we could put before a board for merging, and show a possibility of decreased costs, we could get some mergers effected.

SUPERINTENDENT J. W. POTTER *(Carlisle Public Schools):*

It seems to me that if we are to have effective mergers or effective larger units, they ought to be built around the trade and industrial centers. Speaking for my community, which is a third class district, I do not believe that we will be greatly interested in taking in a large number of surrounding districts. It seems to me that if the surrounding districts which we have would want to merge with Carlisle, there must be some financial return either to the district with which they merge, or to the districts which wish to merge, in order to give them some incentive. If we are not to profit by it, we are not much interested in spending our money to have other districts come in with us.

SUPERINTENDENT CHARLES E. DICKEY *(Allegheny County Public Schools):*

There are two or three things that we perhaps need to stress more than we have. One of the advantages accruing from a merger is that it will provide for better facilities, enriching our educational program. We have a number of small high schools which are taking in the surrounding communities, but those high schools hesitate to enlarge their offerings and provide more courses because it is going to cost them more and they do not know what else may take place in the State.

One of the big things that we have to contend with is the matter of finance. That has been brought out exceedingly well. It is a matter of dollars and cents with communities. Unless there is an advantage to those maintaining a high school by taking other people in, why should they worry? On the other hand, when one district over here has opportunities similar to those provided by another

district over there and at a lower cost than as though they were to merge why should they worry?

If we take into consideration that one district has a tax of seventeen mills and another two and one-half mills, can one see any good reason why the two and one-half mill district, which has a large valuation, would be interested in taking in this other district which has seventeen mills? We have approached these people and have tried to persuade them, but it is impossible to convince such a district that it ought to take in another district for purely altruistic purposes.

It may be that some means can be found by the State whereby this money will be distributed on a more equitable basis. If this can be done, we can bring about the merging of districts of this Commonwealth, but as long as two districts are wide apart in the matter of costs, it will be difficult to convince them.

SUPERINTENDENT W. LEE GILMORE *(Oakmont Public Schools):*

Doctor Dickey, can you give me a good reason why Allegheny County should have one hundred to one hundred twenty-five school districts?

SUPERINTENDENT CHARLES E. DICKEY:

True, we have little districts down there with only one school, and several with only two schools, but that was not brought about during our administration or during the preceding administration. That was because of the law that permitted each to form a borough or a township of its own. Now, under present school laws, that cannot be done. There is no justification for the many school districts of Allegheny County, but that is the thing that happened in times past.

CHAIRMAN DONALD P. DAVIS:

In July of 1941, as you know, the new law with respect to reimbursing school districts for high school tuition will become effective. This legislation will help small districts in the payment of tuition, and in holding in abeyance the organization of small high schools. On the other hand, when put into effect it will probably serve as a barrier to long-time planning by school districts, since such districts will say, "Why merge when we get so much money from the State." Which is the more important—to have this legislation go into effect to serve these two immediate purposes, or to have it repealed in order to further merging during the years ahead.

SUPERVISING PRINCIPAL M. J. HORSCH *(West View Public Schools):*

It is a generally accepted thesis that an appropriation for one purpose serves to make desirable the thing for which it is made, that is, the thing that we want to incorporate is further encouraged by subsidy. It seems to me, the thing we need to do is to decide what is desirable and then put a premium on that. We now have a premium on smallness and we are asking for largeness. It is doubtful whether we shall ever get an increase in normal size as long as the premium is on smallness. We can talk about altruism, but what really talks are dollars and cents, and school districts will not merge except in terms of what benefits will come to them from merging.

SUPERVISING PRINCIPAL H. O. SPEIDLE *(Pine Grove Public Schools):*

The second question I raised has not been answered and I shall try to answer it myself. I feel that everybody is agreed that there should be larger administrative units and attendance areas. I think everyone is agreed that these will come about only if there is some financial advantage to the district. I still feel that the only way it will be brought about is by a program of public relations. It might be possible for you to convince your own board of education, but you must also convince the taxpayers, so that they will tell their Legislator to do something about it in Harrisburg. I think that must be the foundation for developing any program that is desirable for Pennsylvania.

CHAIRMAN DONALD P. DAVIS:

The time has come for us to adjourn. In summary, may I say that it seems the discussion has centered around a number of financial barriers—tax rates, tax assessments, two hundred dollars for closed schools. Those three items would be solved through an adequate equalization program and a State tax commission empowered to regulate tax assessments and levies.

Beyond this, however, we still have the problem of unequal salary schedules in third and fourth class districts. We have weaknesses in the transportation law which were mentioned this morning. Some of these financial barriers are problems in the future. The 1937 Session of the General Assembly and the Session of 1939 have set up machinery for the merging of schools. In order to remove certain barriers we find that some incentive needs to be offered.

II. WEDNESDAY AFTERNOON, OCTOBER 4

General Session

The Forum—1:30 o'clock

PRESIDING, CLARENCE E. ACKLEY
Deputy Superintendent of Public Instruction

THEME: EDUCATIONAL ADMINISTRATION AND APPRAISAL OF TEACHING SERVICE

OPENING REMARKS BY THE CHAIRMAN

It is my pleasure in connection with the program to tell you that those of us who had a hand in formulating the program sought to bring to your attention and to enlist your help in the organization of a few vital topics which will help us to reappraise our educational opportunities and obligations in the Commonwealth. In looking about for talent that we thought would best serve us, we have brought together those on the platform. We are grateful for the many suggestions that came to us from members of the Congress Committee. Their names are listed on the program. May I extend our thanks and appreciation to the members of the Program Committee for their help in arranging the program and in determining the nature of it.

I am happy this afternoon to present as our first speaker a gentleman whom you will enjoy hearing. At a conference held here some months ago, "A Youth Forum," we had some interesting discussions from high school pupils. Near the end of the discussion, one girl said she "wished to apologize for speaking so frequently, but I want to say one thing more, I wish all you people could some time go to school out where going to school is interesting. I went to school," she said, "in Winnetka, Illinois, and there pupils love to go to school." We are glad to have with us the speaker who inspired that girl to say that complimentary thing concerning the Winnetka schools—Dr. Carlton Washburne, Superintendent of Schools, Winnetka, Illinois—Doctor Washburne.

Should the Schools Indoctrinate

SUPERINTENDENT CARLETON WASHBURNE
Winnetka Public Schools
Winnetka, Illinois

Before we can intelligently discuss the problem of indoctrination in the schools, we must clearly define our term. Much hazy thinking on the subject is due to a loose use of the word "indoctrinate." Let us then, at least for the purpose of this article, define indoctrination as the attempt to influence one's pupils in the school to accept one particular solution to a problem where there is difference of opinion among intelligent, thoughtful, informed, and right-minded persons as to what the best solution is. Indoctrination, according to this definition, has only to do with controversial issues. It is not indoctrination if we teach a child that flies carry disease, and try to influence him in favor of having his house screened. It is not indoctrination to give a child a recognition of the value of truthfulness. It is indoctrination to try to convince a child that when he grows up he should refuse to fight in any war, even against armed aggression and invasion, or, conversely, to teach him that no matter whether or not his country is justified in participating in a war, he should immediately enlist his service. It is indoctrination to teach a child that the way out of our present difficulties is through a reversion to rugged individualism, or through Fascism, or through Socialism, or Communism, or any other specified means. It is not indoctrination to show existing evils which are commonly recognized as evils or to show ideals which are commonly accepted as desirable.

I realize that there is room for quibbling as to what "intelligent, thoughtful, informed, and right-minded persons" differ about. One can split hairs in a theoretical discussion as to what subjects are controversial and what ones are not. Practically, however, no one actually conducting schools has a minute's question in his mind as to whether or not an issue brought up for class discussion is controversial. The problem of indoctrination applies only to controversial questions.

The Arguments for Indoctrination

(1) We must rebuild our social order—or, if we are on the other side of the fence, we must maintain the status quo. Education is

necessary for either purpose. One of the fundamental reasons given for public education has been the perpetuation of the particular kind of state which established it. In this Country we say "Education is the safeguard of democracy," in Russia, "Education is the third line of defense for communism." Mussolini has recognized education as basic for the carrying forward of fascism, and Hitler is capitalizing on the effectiveness of Imperial Germany's nationalistic education.

Furthermore, the State needs trained citizens. It needs a certain like-mindedness among them in order that there may be cohesiveness. It needs certain common ideals. The school is the place where the State can effectively train all its future citizens at a formative period of their lives. A new social order cannot be adequately ushered in or an old order adequately preserved without a trained citizenry.

(2) Education to be realistic and to count in the life of the child must have the same zeal and emotional drive which is called by the necessity of changing—or preserving—the social order. Schools in which there is no indoctrination tend to be cloisteral, to be out of touch with the live world outside. This fact stands out if one compares an average American school with an average Russian school. In the former, most of the work is abstract, academic, unrelated to the throbbing life going on outside. It is true that the average American school has a sort of watery indoctrination for the preservation of the status quo, but it is too lukewarm, too diluted, too unemotionalized to affect the educational process as a whole. Russia, with its vigorous, frank, and exceedingly effective communist propaganda in the schools, achieves in its education a vitality and realism which we in America have never remotely approached.

(3) Indoctrination is inevitable. The question is merely one of what kind of indoctrination we are going to have. A teacher, by his very nature as a teacher, imposes his views and attitudes on children. This is recognized by Boards of Education, which will not employ a teacher who is known to have ideas widely at variance with those of the community or the School Board. Few American Boards of Education, for example, would knowingly employ a teacher who was a member of the Communist party. No corresponding Board in Russia would employ a believer in capitalism. No German Board would employ a teacher known to be actively opposed to the Nazi regime.

A failure to indoctrinate, moreover, is in itself an indoctrination for the status quo or for the point of view held by the parents of the community. Children being continually exposed at home to certain indoctrinating influences and, not receiving any contrary indoctrination in school, are necessarily indoctrinated in the home or community mental pattern.

These arguments are cogent and cannot be ignored. But a closer examination will reveal that the method and aims of indoctrination are opposed to those of education. Moreover, the widespread acceptance of the principle of the use of indoctrination in the schools would defeat the very ends which the advocates of the principle have in mind—building a new society through education.

The Compelling Reasons Against Indoctrination

(1) Indoctrination is unfair to the child. During the period of education he has a right to see all sides of each question, he has a right to have each side clearly and fairly presented, he has a right to expect from the schools the unvarnished truths. He early learns that his parents have certain prejudices. He makes certain allowances for these. But if he cannot count on his teachers' objectivity and honesty, where shall he turn?

(2) Indoctrination is the antithesis of education. Education involves the drawing out of the child, the developing of his own capacities and thought. Indoctrination involves the imposing upon the child of one set of ideas, to the exclusion of his own thought. Education is the freeing of the individual. Indoctrination is the binding of the individual to the views of some group of adults. Education should lead toward growth. Indoctrination stultifies growth.

(3) Anyone who supposes that he has the one and final solution to any problem is inexcusably bigoted and is, therefore, unfit to educate children. Any intelligent person must recognize that however probable he thinks it is that his particular solution to a controversial issue is the best one, there are other persons of equal intelligence who have equal certainty that their solution is right, and that there is always the possibility that either one or both of them may be wrong and that still another solution may be better. The growth of society depends upon our free exploration of all possible avenues of escape from our present evils, of all possible avenues toward our ultimate ideals. Indoctrination shuts off all avenues but one.

(4) The strongest arguments against indoctrination are perhaps the practical ones. If one group can use the schools to indoctrinate the children toward its particular answers to controversial questions, so can another group. After any school board election the new board can, if indoctrination is to be allowed, change textbooks, curriculum, and teachers to fit its pet ideas, while after the next school board election the whole thing may be reversed. The schools become, in a Country which is not yet under a dictatorship, footballs of politics in the worst sense; and, in a Country where there is a dictatorship, the way is paved for inculcating the dictator's ideas in all growing young minds.

Those in the educational profession who consciously advocate indoctrination in the schools are almost without exception those who would use it to change the existing social order. Yet from a practical standpoint they would completely defeat their own purpose were they successful in getting an acceptance of the idea that the schools may be used to indoctrinate. For, of necessity, majority opinion favors that which is—were it not so, what is would be changed. If the schools are to be used to indoctrinate, obviously they will be used to indoctrinate toward that which the majority desires. To advocate indoctrination is, therefore, not a way to bring about a new social order but a way to perpetuate the old.

A Program of Socially Reconstructive Education

How then are we to bring about change? How are we to train children for a new order? How are we to give them the emotional drive they need, both educationally and socially? What are we going to do to make our children ready to face the problems that are going to confront them in an order which, schools or no schools, is changing? Or are the schools simply to sit back passively and teach what man has done, give lessons in the three R's, and trust to the unorganized hit or miss forces of society to do the real job of education? I think there is a solution and that many of the things desired by the advocates of indoctrination can be achieved without corresponding evils.

First of all, we can train our children in social thinking. That is, we can help them to realize that they are integral parts of a social whole. This is not indoctrination because it is not controversial—no one can deny our interdependence. Social thinking can be developed through socialized activities within the schools themselves, through group enterprises or projects where each individual is contributing his own special interest or ability to the success of something in which the whole group is interested. It can be developed through organized games on the playground, provided the director helps the children to become conscious of their interdependence, not only with members of their own team, but with the opposing team.

The active practice of citizenship in a school organized as a democratic community gives the necessary realistic training in group-thinking and social responsibility. Such student responsibility, however, must be real and must deal with things in which the children are actually concerned. It must be directed toward a definite consciousness on the part of the children that they are thinking in terms of the well-being of the school as a whole, and toward an awareness of where anti-social acts or inefficiencies do damage to the group as a whole.

And social thinking can be brought about through the treatment of social sciences. From the very beginning of the study of history or geography, children can be made to feel the identity of interests, in the long run, of the members of a community, a state, a nation, and the world at large. One need not cover up some facts and give undue emphasis to others in order to bring about a realization, through the study of history, geography, economics, and sociology, of the fact that the good of the individual is inextricably bound up with the well-being of the whole.

But what of emotional drive, since mere intellectual social consciousness lacks motive power? Let the emotional drive come through showing vividly, dramatically, some of the evils that exist, and, in contrast, the potentialities of mankind were its own ideals realized. The ideals of a better society, I admit, cannot be made too specific if one is to avoid indoctrination, yet they too can be given a certain vividness. There was, for example, a cartoon recently in the *Chicago Tribune* contrasting the disastrous effects of money spent on one foreign war with what that money would do

if put to constructive purposes. A dozen little pictures illustrated the constructive uses to which the money could be put—schools, parks, highways, transportation, old age pensions, et cetera. A corresponding dozen showed cathedrals and homes destroyed, men hopelessly crippled, cemeteries filled. It is not indoctrination to show that peace and the constructive use of the world's resources are eminently desirable—all agree on this.

Conversely, certain ills are commonly acknowledged. No one questions the harmfulness of the conditions leading to lynch law; no one questions the undesirability of slums, of the insecurity of employment, of gangsterism and racketeering, of the alliance between crime and politics, of political corruption, or of the great gulf that exists between the extremely rich and the extremely poor. Equalitarianism may well be challenged, but the existence of squalor and dire poverty side by side with great wealth is practically never defended.

We can, then, take our children by picture, by story, and by actual excursion into the realities of the evils that exist in our present-day society. Our problem is not one of finding enough material to give the children an emotional drive. It is one of mental hygiene—not over-arousing the emotions before the children are able to act on what they feel.

A student trained in social thinking, emotionally activated to work toward the elimination of commonly recognized evils and toward the achievement of commonly held ideals, still needs training in sound thinking as to the means of achieving these ideals. And here is where vigorous discussion of controversial issues needs to be encouraged in the schoolroom. Outside the school, the tendency in discussing controversial issues is for each person to advocate his own particular solution and to try to convince the other persons. In school, the discussion of controversial issues should be rather for the purpose of getting at all the facts on both sides of each question and for the purpose of learning to do logical, scientific thinking. It is true that we act more by emotion than by thought. For that very reason the schools have the responsibility of helping people to realize that while emotion is the motive power, thought is the steering gear. One would get nowhere in a motorless car, but in a car with no steering gear, one rides to destruction.

In the discussion of controversial issues there should be a studious avoidance of reaching conclusions, exept where immediate action is possible. There are immediate controversial issues in the school —shall marbles be played for keeps, for example; are Hallowe'en pranks permissible; is snow-balling or the use of water pistols on the playground desirable; shall a school corporation in financial difficulties have a lottery to save itself, and so on? These issues should be discussed in exactly the same way as are the larger social issues. But with the immediate ones the children should reach a decision and act upon it. They must get much training in this, lest they become conditioned to a degree of balance like that which caused the donkey to starve when he was equi-distant between two piles of hay. But where immediate action is not possible, children should learn to defer decisions. The point that must be gotten across to them through every possible means is that prior to the time of action decision is unwise because it cuts off exploration of other paths, while when the time for action comes, decision must be reached as to which path is most likely to lead toward a desired goal, and vigorous, unhesitating action must immediately follow this decision.

Practicality of the Program

Is this program practical? I believe that with a reasonable amount of good sense and strategy, it can be carried out in almost any community. There are, it is true, some controversial issues with a definite local setting and these may be so hot that for the moment the teacher will find it necessary to avoid them. A flank attack is sometimes more effective than a frontal one, and there are even moments when it is better to lie low in a dugout than to charge through a barrage. There has to be strategy, and there has to be recognition of the fact that if a community is in a high pitch of emotional excitement on a given issue, it is physiologically impossible to get children to discuss that issue in a calm, dispassionate, scientific way. At such times the issue involved should be avoided, but the principles back of it should be approached through cooler channels. A little skill on the part of the teacher in avoiding unnecessary irritation will give him a very free hand in training the children to think honestly on controversial questions.

But what of the teacher's unconscious influence on the child toward his own viewpoint? The teacher should, down in his heart, have more desire to develop the child's own thinking than to impose on the child the teacher's viewpoint. If the teacher is fundamentally child-centered in his educational attitude, that is, if he is primarily concerned with education rather than indoctrination, both his conscious and his unconscious influence on the child will be toward free, independent thought.

I realize that this program may sound idealistic—that to carry it out perfectly requires ideal teachers and an ideal community. But the program is more practical and attainable than that of having teachers so ideally wise as to know just what pattern children's minds should be cast in, and a community that would permit such casting. Furthermore, it presents a socially and educationally sounder ideal. And it points the direction in which we should move in our practical classroom work.

Chairman Clarence E. Ackley:

Thank you, Doctor Washburne. I am certain we have received much assistance and much inspiration from that splendid address.

One of the very interesting amendatory provisions of the Teacher Tenure Law is the provision which pertains to the rating of teachers from the standpoint of competency. I confess to a participation in the formulation of the requirements.

One of the basic reasons for writing it was to enable us to direct the line of questioning when a teacher, in an appeal to a board, is facing the necessity of trying to establish her competency or incompetency. We have found from many cases heard in the State that boards undertaking to conduct a hearing have had so little guidance in the taking of their testimony that they go into all kinds of irrelevant data. We hope this profession will focus its attention, when competency or incompetency is to be determined, upon a few major categories for evaluation.

We are deeply grateful to all of those who worked on the rating card, and to those who have given their time and energy to develop a card which will give us a starting point. It has been a thankless sort of job. I think I could go further to say that those who responded to help in the preliminary discussion felt it would have been better to have let it alone. I do not believe, however, they felt that way after the first day of the discussion. After a day of deliberating over the challenge that the enactment placed on all of us, the committee arrived at certain agreements and conclusions, and suggested further provisions for carrying out the mandate of the Act with reference to this rating system.

I shall let the members of the panel tell the story to you. Dr. Ben G. Graham of Pittsburgh is Chairman of the panel, and the members of the panel are listed on the program, including Henry Klonower, Alexander J. Stoddard, Marion R. Trabue, Albert Lindsay Rowland, D. A. Best, J. Andrew Morrow, Edwin Cruttenden, Lulu C. Cobb, and Weir C. Ketler.—Doctor Graham.

PANEL CONFERENCE

TOPIC: APPRAISAL OF TEACHING SERVICE

OPENING REMARKS BY THE CHAIRMAN

SUPERINTENDENT BEN G. GRAHAM
Pittsburgh Public Schools

When the group met June 22 (in accordance with the provision of the Law, the group was appointed by Doctor Ackley), I believe over forty were present. I think that is why there was so much diversity of opinion. At the end of the day, the sub-committee, of which I was chairman, was created. I believe all of us accepted the work as a professional duty, and when the sub-committee met, we found the difference of opinion quite great, so consequently, our problem was one of finding a place where our minds would meet.

Therefore, the card which was prepared by the committee represents not the thinking of one member, but rather that of the whole group. I suspect each of us felt he could write a better card than that one, but the difficulty was to persuade the other members that our card was the best. We believe we arrived at the result by a democratic process.

Instead of conducting a panel, which we find will be impossible, what we are going to do will be in way of a symposium. We have asked each member to take five minutes to present certain parts of the problem which we have to tell. Since Doctor Stoddard of Philadelphia is not with us, I will call on Dean Trabue of The Pennsylvania State College to take the first five minutes. Our reason for asking him to do this is because he has had so much experience in this field and in related government service—Doctor Trabue.

Dean M. R. Trabue (School of Education, The Pennsylvania State College):

Members of the Congress: Certainly there does not seem to be anything more reasonable and just than that the more efficient teachers be the ones rewarded. They should be retained on the payroll; and when it is necessary to reduce the number of teachers, those who are not efficient should be the first to be released. Everyone who has considered this problem would agree to that fundamental proposition.

The difficulty arises, however, in determining who is efficient and how efficient that individual is. For more than a quarter of a century I have been studying the problems of school organization and administration. One of the problems that always comes up is the efficiency of teachers and how to determine it. I have seen, in looking over the history of this work, scores of principals and superintendents of schools attempt to rate their teachers on a rating card and then to promote them, to pay them, or to dismiss them in terms of marks on those rating cards. In many, many such cases it has been the administrative officer who has lost his job rather than the teacher. It has happened in business, in industry, in government service,—it has happened in all of the different places where an attempt has been made to rate characteristics of the individual as a basis for pay, for promotion, or for dismissal,—whenever attempts have been made to say how much kindness, how much courage, how much honesty, or how much character a given individual has as compared to someone else.

The best report on all the research that has been done on rating cards appeared in October, 1935, as a supplement to the *National Municipal Review*. The title of this report is "Approaches to the Measurement and Reward of Effective Work of Individual Government Employees." It was written by Samuel H. Ordway, Jr. and John C. Laffan of the New York City Civil Service Commission. This little monograph summarizes the experience not only of professional education, but of industry, of government, of the army, and of all other agencies that have tried to do this. It is quite certain from all this experience that the employe himself is likely to object to any such rating, since other raters or other supervisors will disagree with it. In other words, we are not able to obtain the same rating of a given individual if two different supervisors give a rating.

Another outcome that has been uniform is that, when we rate characteristics of individuals as a basis for salary, promotion, or dismissal, the sympathetic relationship between the seupervisor and the supervised, which enables the supervisor to be helpful in improving the work of the individual, is spoiled. Any attempt to rate an individual in terms of how good he is in certain respects creates a wrong attitude between the two, so that the person being supervised will try to hide his weaknesses, and will not ask for help from the supervisor.

Another thing that has come out of all this study is the fact that we cannot agree about how much honor, or honesty, or any other characteristic different individuals have. We can make narrative records that will stick, that will hold up, if we say that an individual on a certain day did so and so. In other words, I can go into a classroom and describe what I saw, and other people will agree with me. I can say that the teacher had one group studying poetry, another group with a hammer and saw working on book ends and boards, and others reading stories, and thus I can describe what I saw. I can describe what actually went on, and other people will agree with me. If, however, I say, "That is an excellent classroom situation," somebody else will say that it is the worst classroom situation he ever saw. We can agree about what is done, but we cannot agree on the interpretation of it.

Another thing that is perfectly clear from our experience in this field is that the simpler the record the more effectively it will stand up. If it is in such plain English that anybody can understand, it will "hold water." If, on the other hand, it is based entirely on catch-words, it is likely to fall down. What this committee has done, therefore, is to attempt to devise a rating scheme which will enable us to follow the law, so far as the law requires, by employing a card which places the burden of proof with regard to the efficiency of a teacher on his behavior record. "This teacher on such and such dates came to school late"—"he did not lock the door and as a consequence some of the equipment of the school was lost"—facts that can be verified and that the teacher himself can understand. Any rating will be uncertain and unreliable unless such narrative interpretations are provided for. The real force of this card will depend upon the narrative anecdotal records that are kept to support the ratings that are indicated on the card itself.

We have done this deliberately in order that there might be some hope for this scheme to succeed, because thus far no scheme has succeeded in government civil service, in the army, in industry, or any where else where an individual attempted to rate the characteristics of employes. They do succeed, however, when they say that a given individual, on a certain date, did thus and so.

President Albert Lindsay Rowland (Shippensburg State Teachers College):

If there is any virtue in the present law, it lies in the fact that it has moved toward a professionalization of the determination of incompetency. The feature of the entire law which has led, I think, to most of the controversy concerning the law, is the requirement for the rating of teachers and its relation to the dismissal of teachers from the teaching service.

As Doctor Haas has told you, we now have two rating cards. One of these you have been using for seventeen years, which has been operating during that time to determine the validity of certification, its extension, and its permanent form. The new card does not replace the old, although I think every member of the sub-committee and the Superintendent feel that ultimately the two will have to be merged for administrative economy, but that merging has not yet taken place. The new card which you are asked to use in an experimental manner during the current year, is essentially and primarily negative in its aspect.

The detail on the new card is used only when the teacher is unsatisfactory. If the teacher is satisfactory, a check to that effect is all that the card requires. Only where an unsatisfactory situation exists, the development of the basis of an unsatisfactory judgment is asked, presumptive upon some ultimate demand for the removal of that teacher from professional service. I think we all regret that the card tends to have this negative quality.

On the other hand, it must be recognized that there must be some basis for dismissal of teachers, and, from the viewpoint of professional service, a professional basis is to be preferred over one of personal and indefensible prejudice.

The new rating card is put into your hands for use during the current year. None of the members of the sub-committee who have revised it have any thought that it is perfect or final, but, on the contrary, we have a good many doubts about it. Out of the experiment during this academic year should come a mass of experience in the use of the card, and that experience, if transmitted to Doctor Haas, can be gathered and focused to the end of developing a more reliable instrument that will better implement the provisions of Act 274 and at the same time move toward the function of the old white card.

Thus it is hoped that eventually we may have an approved form of teacher rating that will function both in establishing a professional basis for dismissal, when necessary, and at the same time serving as a device for the improvement of teaching service.

Mr. D. A. Best (Vice President, The Pennsylvania State School Directors Association):

My remarks will be limited to certain recommendations as to changes in the teacher rating cards which, in my opinion, deserve consideration as follows:

1. *"General Rating"—Paragraph 3*

   In substitution of the present paragraph the following is recommended, "All ratings *must* have the support of anecdotal records and all such anecdotal records *must* be maintained in the office of the District or County Superintendent of Schools. They shall be subject to review by the employer Board of School Directors on request. When unsatisfactory, the same *must* be supplied to the employe rated immediately."

   Explanation

   If anecdotal records are not required on satisfactory ratings the same as for unsatisfactory ratings the possibilities are that a gloss-over system will be established, so that proper observation and consideration will not be exercised during the rating period. Such a situation will be unfair to both the employes and the school system. Furthermore, under causes for suspension, Number 3, second paragraph, Act 274, specifies in connection with teacher suspension, "efficiency rank determined by ratings." Rating of two or more teachers as satisfactory without any anecdotal or qualifying records does not determine efficiency rank and is no justification for determining the suspension status by seniority,

if this is the intention of the card. Therefore, to comply with the spirit and letter of Act 274, such anecdotal records are necessary with all satisfactory as well as unsatisfactory ratings.

2. *"Detailed Appraisal"—Paragraph 3*

In connection with this paragraph, it is recommended that a suitable space or form be provided on the rating card to indicate whether the card is showing a single rating or summarized ratings, unless it is the Department of Public Instruction's intention that summarized ratings are to be indicated under the "Final Rating." If so, it is recommended that such intention be so stated on the card.

3. *"Definitions"—Paragraph 5*

It is recommended that the following be substituted for the present paragraph, "When the number of professional employes within a district must be reduced, the county or district superintendent of schools shall appraise the accumulated ratings of such employes as affected and *recommend* to the employer board of school directors to suspend the employe with the lowest rating first, next lowest second, and so on; where no substantial difference in satisfactory rating can be determined through such appraisal, seniority or service rights shall be the determining consideration."

Explanation

Under the School Laws, all employment and dismissal or suspension of employes is vested in the several individual Board of School Directors. District superintendents are employes of individual school districts and county superintendents are employes of the County School Directors' Associations. No superintendent or other supervisory office has any legal power even to suspend professional employes except under authorization by the school board affected. It is not believed the General Assembly intended that this fundamental fact be changed. Act 274 states, "the suspensions to be made shall be *determined* by the county superintendent of schools or the district superintendent as the case may be." It does not say that these officers shall or can suspend another employe. As defined on the rating card at present, this instruction usurps authority not granted. School boards will insist on managing their own schools and personnel, but in this will accept recommendations from their respective superintendents.

4. *Further Comment Pertinent to the Rating Card*

In any employer-employe relationship, confidence in each other is the prime requisite for successful cooperation. Rating methods have been and are working successfully in business and industry. This is because confidence in fair rating has been established, in numerous cases even where unionism is very strong. The present rating card has been formulated by the Department of Public Instruction, together with other educational interests acting in an advisory capacity, in accordance with Act 274. It is entirely a qualitative rating system. Individually, we may have different ideas as to what would constitute the best system. To argue the relative merits between qualitative and quantitative rating systems or one composed of a combination of both with seniority as a factor, would serve no useful purpose at present, now that the Department has decided on the present card.

Act 274, in mandating this rating card for professional employes, specified that it is "to be revised from time to time by the Department of Public Instruction" with the cooperation of other educational interests. The present rating card should, therefore, be viewed by all as a first step, to be revised as experience dictates, and not as a final device.

Those interests most active in amendment of Act 52 have consistently advocated, and still advocate, the retention of the good teaching talent in our public schools and the need of attracting desirable new talent. Their philosophy has not been on the dismissal or suspension vein, except wherein lack of ability, economic distress, or social conditions justified. They recognize that this rating card or any rating system in the schools must have the confidence of all educational forces to be successful. It is their further opinion that the principal factors of success or failure in any rating system are the raters and their ability to consider fairly both the school system and teachers.

As we view it, more adequate explanations than those made at present should accompany the rating card to the field of the school system so that the confidence previously mentioned can and will be built up regarding it. Failure to encourage and obtain such confidence will constantly militate against this rating card becoming the just instrument of educational advancement that we understood it was intended to be.

Superintendent J. Andrew Morrow (Bradford County Public Schools):

This rating card has been explained by Dean Trabue and, it seems to me, he has cleared the whole situation relative to what we are endeavoring to do. We have tried to make a card that is simple. By being simple and having simplicity, it should be easy to use by county or district superintendents.

The county superintendent is "on the spot" relative to this rating card. We are in a more difficult position than the district superintendents because we are dealing with teachers who have been hired or employed, in connection with which we, in many cases, have had no power of selection, while district superintendents, no doubt, have had the power of selection of the people whom they employ.

However, I feel that if we take this card and study it, and use it in the manner in which we have been trying to interpret it, it will be satisfactory, at least for a trial. We invite your criticism of this card in a friendly way. We want criticism, but we want it to be friendly. It should be friendly for the mere reason that this card must be developed in accordance with our present law. Should it prove to be not workable, those friendly criticisms will enable us to revise it in accordance with the friendly criticisms which will be received by the Committee.

In the matter of teacher rating, both district and county superintendents are "on the spot," being another reason why the Tenure Law for superintendents should be enacted as promptly as possible.

There was a discussion this morning in regard to school administration. The sooner we have the Tenure Law, the sooner the real operation of a rating card will be put into effect.

In connection with the new rating card, you will note one thing—the rating of satisfactory or unsatisfactory. I dare say that practically all of our teachers will fall within the satisfactory column. In other words, as I see it, this card is not intended as a device to facilitate dismissal, and I, as a county superintendent, do not want you to look at it in that way. If we use this card as it is intended, it should build up with our teachers a fine professional spirit that will develop the real meaning of professional teaching in Pennsylvania.

It seems that the success or failure of this card depends upon you and me, and I regret to learn that there are these cases coming into the Department from various parts of the Commonwealth relative to teachers being dismissed. I sincerely hope that there will be no such cases coming into the Department from Bradford County. I, for one, am going to do everything in my power to use this card pleasingly. And with reference to such cases of dismissal, I feel that if we all attempt to do so, we can, by this means, bring about better results along this line as well.

Mr. Edwin W. Cruttenden (Teacher, Scranton Public Schools):

Before presenting the teacher's point of view on the new State rating card, it might be well to review briefly the reasons for the existence of the Tenure Law. With the deepening of the economic depression in 1935-1937, other enemies besides the traditional ones of ignorance, prejudice, and bigotry faced the instructors of Pennsylvania. These were extreme job competition and political macing. In many communities wholesale dismissals and secret fee collecting had demoralized the teachers and hence the schools. To answer this definite need the educators through their educational associations fought the Tenure Law onto the statute books of Pennsylvania. Elimination of the obvious abuses, a higher professional morale and growth, and greater democracy in education resulted.

The teachers of Pennsylvania opposed any modification of the Mundy Act until two things had occurred: (1) sufficient time had elapsed so that any weakness in the law would be evident, and (2) the changes should be the result of study and recommendation by educational experts. Neither of these conditions were met in the law creating the State rating card and hence did not carry our approval. While we recognized and supported the fundamental idea of retention of good teachers and the elimination of poor ones, the value of any so-called rating scheme in aiding in this was questioned.

Although there has not been any crystalization of opinion as yet throughout the State, numerous teachers whom I have contacted accept the "satisfactory-unsatisfactory" division as a simple solution

to a difficult problem. Since the meaning of words dwells in the minds of those who use them, the classroom instructors would like some general agreement as to the definition or delimitation of the terms in the detailed appraisal. It is not at all clear as to just what is covered in such items as "judgment," "habits of conduct," or "power to appraise." At any rate, it would seem an obligation for an administrator to discuss his meaning of these terms with his staff.

The new rating cards applies in three ways. The first of these is on dismissals. Since any superintendent and board may become involved in a lawsuit in such a case, sound procedure would demand the maintenance of an anecdotal record justifying the charges upon which the dismissal was made. Such information was necessary before the rating card was created. There is little that is new here. With a two-year probationary teacher a final rating of satisfactory is necessary in order to obtain a contract. Since the probationer has no contract and is without legal recourse if the rating is unsatisfactory, the card again will not play an important role.

It is with the suspension of teachers because of decreased enrolment, school consolidation, or curriculum change that the greatest difficulty of the card's use will no doubt appear. We, in Scranton have discovered that even the old law which was considered explicit had legal loopholes on suspension. There is only one difference teachers will readily admit: that is seniority. A simple procedure to follow when suspensions are necessary would be to suspend first all teachers in the unsatisfactory group on seniority rank. If this does not exhaust the required number, the same procedure would be pursued in the satisfactory column. Such a plan would eliminate the difficult and debatable task of creating comparative ranks or degrees of unsatisfactoriness.

Fundamentally, the success of this card or any card will be found not in itself but in its use. Its application will rate the superintendent more than it will the teacher. Every time an unsatisfactory rating leads to a detailed appraisal and anecdotal record, the rater must remember that he may be called upon to defend his judgment, professional attitudes, and habits of conduct in a court of law. If the card is used wisely, justly, and accurately, a great service will be done the teachers and school children of Pennsylvania. If it is not, there is bound to be demand for change.

Mrs. Lulu C. Cobb (Teacher, Heston School, Philadelphia):

It will not take five minutes for me to say what I have to say because, unfortunately, the new rating card has not yet been in the hands of the elementary teachers whom I represent, so I cannot give you their reaction.

As to those to whom I have spoken, however, they seem to be very well pleased with the satisfactory and unsatisfactory basis of rating. We rate our children in summing up what they can do. We do not attempt further to rate them, except for character in general without reference to its specific attributes. So, as indicated in the upper corner of the card, if my service is sufficiently acceptable to justify a continuation of my employment, I shall continue to be employed.

We are perfectly satisfied to have the rating card accompanied by anecdotal records, but as for saying that a teacher is 100 per cent or 80 per cent in professional attitude, we would have to be convinced that it is possible to make such measurements before we could believe it, or be willing to accept it. As far as I can learn from those teachers to whom I have spoken, they are well satisfied with the card as it now stands. If there are any changes to be made, we will be willing to compromise. If the Tenure Act was so prepared as to protect teachers, then it should stand as it is without changes. That is what the teachers in Philadelphia agree to.

President Weir C. Ketler (Grove City College):

I suppose all of us came to the first meeting of the committee with opinions or prejudices regarding the problem of rating. I must confess that I had had very little experience in rating teachers on a rating scale, but like most people in an administrative position, I have had some experience in trying to rate people on personality scales. I have found it very difficult to do that. I think it is very difficult indeed to rate personality on a detailed scale with any degree of reliability.

Personally, I feel reasonably certain that the superintendents and administrators of the State would like to have a rating card designed with something like an electric eye so that all one would need to do would be to expose the teacher to the device and an automatic rating would be recorded.

Unfortunately, your committee was not able to devise such a measure of the value of a teacher. Such measurement is the judgment of one personality, or a group, about another personality, and that is a very difficult and uncertain task. No one can relieve the person who passes such a judgment from the responsibility connected with that judgment. All that the committee could do was to devise a card that might be of some assistance to you.

It was the opinion of your committee that such a card should be as simple as possible, should not have too much detail, should not entail any more labor than necessary, and should not cause too great friction in the school system. The card was devised so that it might be simple in operation.

However, in cases where the teacher is rated as unsatisfactory, the card does certain things. In the first place, as has been suggested, it gives certain lines of procedure to be followed in evaluating the success or failure of a teacher. Second, it tends to make the valuation of teachers in different districts of the Commonwealth an orderly and somewhat uniform affair. Finally, I think you have, in such a card, a definite record that will tend to reinforce the memory of the administrator and, at the same time, indirectly protect the teacher.

In this connection, the committee has suggested another type of record. It proposes that, in addition to the card, there be kept an anecdotal record supplementing and explaining the rating of the card itself. It has been suggested that in those cases where there is doubt as to the success of a teacher, there should be an accumulative folder which should accompany the record in which there could be kept specific, factual material bearing on the case.

I think that the members of the committee are not at all satisfied that this card is either perfect or final. They do hope, however, that it may serve for the time being as an aid to school administrators in meeting a particular problem raised by legislative enactment.

GENERAL DISCUSSION

Introductory Remarks of Leader

In going before a board of education with the recommendation that a teacher should be dismissed, the recommendation should not be based on the rating card alone. The board will probably ask—upon what do you base your recommendation? What did this teacher do? An anecdotal record should accompany any recommendation for dismissal. I would not attempt to remove a teacher if I did not have back of me an anecdotal record which would serve as a case history. The anecdotal record has its place. Such a record supports the rating card. I am merely reenforcing from my experience what has been so well said by Doctor Ketler.

By way of opening the general discussion I should like Doctor Klonower to ask the first question—one that has come to him as the most common.

DIRECTOR HENRY KLONOWER (BUREAU OF TEACHER EDUCATION AND CERTIFICATION):

Apparently, the responsibility of the Department will be to answer all questions concerning the rating card from now on. If you want to have an interesting experience after you leave the Forum today, come down to Room 202 and see some of the questions that have already been raised concerning the practical application of this rating card. I am not certain that the answers are going to be satisfactory in every case but at least there seems to be some indication as to the direction in which the procedure of rating teachers is moving. We are asked this question most frequently: "Will superintendents keep in their office a yellow rating card for every teacher now employed?" The answer is, Yes.

Another question most frequently asked is: "What definitions do you give for the different characteristics indicated on the card?"

A superintendent came in the other day and asked: "What do you mean by emotional stability?" I stated that there is a definition for emotional stability, but in our judgment emotional stability in one location may be quite different from emotional stability in another location. Much depends upon the circumstances, too.

The problem of developing definitions is a long-ranged project. Here is an educational project for all of us. We must plan regional meetings over a period of years throughout Pennsylvania. We should solicit the cooperation of teachers to develop definitions for the specifics that appear on the rating card so that there shall be common judgment as to the minimum interpretation of emotional stability and all other specifics on the card. The Department pro-

poses to encourage such meetings at institutions of higher learning, meetings of teachers in your service areas, in roundtable discussions for this purpose.

In this manner goodwill can be created and goodwill must underlie any sincere effort to arrive at a reasonable solution of the problems that will develop from the application of the rating card.

CHAIRMAN BEN G. GRAHAM:

You have heard Doctor Klonower, and I hope that his remarks have developed in you some appreciation, perhaps some sympathy, for the committee in facing this problem. Consideration of this card is now in your hands, and if you have questions, now is your opportunity.

SUPERINTENDENT RALPH S. DEWEY (CORRY CITY PUBLIC SCHOOLS):

If a teacher is rated unsatisfactory at the end of the first two years, may that teacher be continued in the district on a probationary period or what will happen?

DOCTOR GRAHAM:

I think Doctor Ackley can answer this question for us.

DOCTOR ACKLEY:

I will answer it by saying that I know of no provisions which would prevent such a teacher from being continued in the district. On the other hand, I would see no obligation in the Law to credit her with the first two years of unsatisfactory experience. In this connection, I should like to state that there is, of course, some hazard in the acceptance of a continuance of her contract after the first probationary period. You would be putting yourself in rather a contradictory position if you continue to employ a teacher who you have said is not satisfactory.

ASSISTANT SUPERINTENDENT ERNEST C. NOYES (ALLEGHENY COUNTY PUBLIC SCHOOLS):

Why did not the committee give us definitions of the various terms used?

DOCTOR GRAHAM:

Because we were unable to define those terms.

DOCTOR TRABUE:

The definition of what is meant by any of those terms will be found in the record, the narrative, the anecdotal report which you write to support it.

SUPERINTENDENT ALVIN F. KEMP (BERKS COUNTY PUBLIC SCHOOLS):

On how many points must I rate a teacher as unsatisfactory before there is a possibility that the teacher will be dismissed or that my judgment would be sustained by the Court.

DOCTOR GRAHAM:

It was brought out in the discussion by Dean Trabue, as I recall, that there has been a theory established that you cannot rate successfully on a numerical basis but you can determine whether in your judgment a person is satisfactory or unsatisfactory, and then you can write down, in everyday English, what you have observed which serves as a basis for your decision. This is what is meant by an anecdotal record, and it protects the superintendent of schools or the person who rates the teacher. No quantitative aspect of incompetency is proposed regarding on how many points I must rate a teacher as unsatisfactory before there is a possibility that the teacher would be dismissed and my judgment would be sustained by the Court. It has been thoroughly established that one cannot rate success on a quantitative basis, but he can determine whether in his judgment a situation is satisfactory or unsatisfactory, and then he can write down in common, everyday English what he has observed that was unsatisfactory and thus support his judgment as to what is unsatisfactory.

That is what is meant by "anecdotal record" and the person writing about a certain case and giving his opinion of satisfactory or unsatisfactory should include a full statement of the specifics of the case. Suppose my school board dismissed a teacher because of a certain cause, and according to the best judgment of my assistants, we would mark the teacher unsatisfactory as regards dependability.

SUPERINTENDENT KEMP:

I am conscious of that fact. I am clear on what has been said. What I want to know is—how many points must be unsatisfactory before the teacher is considered incompetent?

DOCTOR GRAHAM:

One or all. One particular condition may be so satisfactory as to make it possible to retain that teacher in the district.

DR. W. A. YEAGER (UNIVERSITY OF PITTSBURGH):

I should like to ask a question of Doctor Ackley. In view of the cases before the Court, what type of evidence is accepted by the Court to prove incompetency?

DOCTOR ACKLEY:

A significant thing in the cases which have been heard before the local courts, is the disposition of the courts to view the findings of a supervisor or a superintendent in the light of expert testimony.

First, a rater has rated a given teacher as being of questionable retention. Perhaps he has checked only one particular unsatisfactory item, namely personal social adjustment. That means that her social adjustment is, in the opinion of that rater, so far from being satisfactory and so unsatisfactory as to make her an improper individual to continue in that position. The case will, in the last analysis, stand or fall upon the significance of the details enumerated in the anecdotal record which explains what the nature of this specific lack of personal social adjustment is.

SUPERINTENDENT WERTMAN (LEHIGH COUNTY PUBLIC SCHOOLS):

I want to make a correction with regard to Doctor Klonower's reference to emotional stability. I asked him at what point does emotional stability become changed from satisfactory to unsatisfactory. If these reports, as indicated by the remarks of Doctor Ackley, require an expert to take cases into court, where does the county superintendent and district county superintendent get off? I have always felt that instead of having the judgment of one individual only, it might be wise to have the judgment of several persons. I am satisfied with the card. I think the committee did a good job, but I am inclined to believe that if we want to have a complete rating of any kind, there must be some definite understanding as to what each one of these terms is to mean.

I have had the privilege of rating as one of our speakers put it, not on my own accord, but at the request of the board over a period of eighteen years, whereby teachers who retain their positions receive an increase in salary. I know what that means. That is a different job and one cannot rate one teacher as 5/10 of a point better, or 5/10 of a point poorer than another. There are certain points on that card that are really danger points for the superintendent. Suppose one of these cases is reported to the Court. The superintendent testifies. What is he going to do, unless he has some specific points of demarcation between unsatisfactory and satisfactory rating so far as emotional stability is concerned.

ASSOCIATE SUPERINTENDENT S. E. WEBER (PITTSBURGH PUBLIC SCHOOLS):

We now have a period of two years in which a teacher is to prove herself satisfactory or unsatisfactory. It has been hinted this afternoon that one of the functions of this card is that it be used for professional improvement of teachers and I think this point ought to receive greater emphasis.

In a larger system of schools, does the two-year probationary period mean that if a teacher during her trial period of two years does not prove satisfactory in that district, that she could not become a satisfactory teacher in another school district? I believe that there is an obligation that a district has to a teacher. If she proves unsatisfactory during the first period she should be given a chance to redeem herself in another district.

DOCTOR GRAHAM:

We have carried this discussion longer, perhaps, than we should have. If there are no further questions may I say in closing the discussion, that this card is now a regular procedure under the terms of an amendment to the Tenure Act. It has gone through the first process. It is in our hands and I believe if we undertake it with the interest you have shown today, we can make it work out successfully. Let us take it home, then, and make is operate successfully.

III. THURSDAY FORENOON, OCTOBER 5

General Session

The Forum—9:00 o'clock

PRESIDING, E. A. QUACKENBUSH
Chief, Division of School Business

THEME: BUSINESS ADMINISTRATION AND FINANCIAL PROGRAM

OPENING REMARKS BY THE CHAIRMAN

In carrying out the theme of the Congress, which is "An Evaluation of the Public School Program of Pennsylvania," the subject for discussion this morning has to do with administration and finance. The first topic is "New Legislation." There is no person in Pennsylvania more conversant with the legislation which has been enacted during recent years than the speaker of the morning, since he had a very important part in drafting this legislation. It gives me pleasure to introduce Dr. Clarence E. Ackley.

New Legislation

CLARENCE E. ACKLEY
Deputy Superintendent of Pubilc Instruction

Members of the Education Congress:

On a topic of this nature, new legislation, it would be possible to enter into a discussion either of legislation contemplated or of legislation recently enacted, or both. For the major part, I shall confine my remarks to the legislation that has been enacted, and since several of you have already heard what I have said concerning this legislation, I can speak briefly. Furthermore, all of you, I presume, have received our Digest of Legislation enacted in 1939, wherein we have endeavored to put forth a summary of the chief provisions of these different acts.

General Characteristics of 1939 Legislation

May I say, by way of general comment, that the philosophy of the 1939 General Assembly could be summarized under two or three observations. One of the dominant notes of the whole program was a note of economy with reference to the different phases and branches of government. That principle of economy struck a dominant note in the revision of certain of the acts and in the passing of other acts. Another characteristic, I would say, of the philosophy of the General Assembly of 1939 was the emphasis on principles of home rule. A third characteristic, I would say, was a definite aversion to regulatory measures.

The legislation concerning the various affairs in Pennsylvania and especially concerning school affairs was greatly influenced by these three characteristics.

A Major Need in Future Plans

Let me next pass to a comment which I believe to be one of the major areas for future deliberations on our legislative program. I am inclined to think that one of the most significant pieces of legislation that might well be considered for the next Session of the General Assembly would be legislation revising existing provisions for joint board agreements. I believe that amendatory legislation along that line would simplify materially some of the problems which cannot yet be made simple with regard to joint or union facilities especially for high school opportunities where consolidation features are desirable. The major difficulty existing in the operation of the Ruth-Brownfield Law and in accomplishing the various mergers contemplated by that act is the difficulty of persuading two districts to pool their interest in such a manner as to make one levy for the uniformly controlled new district. I would suggest, therefore, that one of the major things which should be done is to make it possible that where three or four different boards desire to establish an elementary consolidated school or a secondary school program we could get rid of existing machinery which requires having each full board sit as a member of the joint board, making sometimes fifteen or twenty or more members. It now becomes possible to block a highly desirable contract or a highly desirable program where a majority vote is required by law. At present such plans, contracts or programs can be blocked by the majority vote of one board alone.

Four Significant Categories

1. Legislation on School Finance

I should like to consider with you the 1939 enactments under about three or four major heads. First the measures which pertain to educational finance. In that category I would place Act 30, Senate Bill 34, enacted as an emergency measure. This was enacted rather hastily and would not have been needed if one of the other measures could have had smoother sailing in its enactment. Act 30 provides that in school districts having outstanding uncollected taxes there can be borrowed against those taxes a higher percentage than was possible under the old act. I think that is all we need to say about it. Then there is Act 69 which was Senate Bill 138 which re-enacts the provisions of the old Mansfield Law and makes possible borrowing against uncollected and unpledged taxes for the purpose of current expenditures, issuing bonds for that purpose. In general, legislative provisions for issuing bonds for current expense must be looked upon with disfavor, of course. Therefore, this measure is justifiable only as a measure for emergency financing. I think all administrators are pretty familiar with the procedure and conditions set up under the old Mansfield Act and they are substantially the same.

Another measure pertaining to finance which is significant is Act 350 which was Senate Bill 311, another Mallery Act. We had high hopes in the drafting of that measure that we would be able to provide as stopgap legislation a measure which would enable many districts to thaw out some of their frozen credit. It is one of those measures designed to stretch credit. It is a part of a credit stretching program in that it does thaw out some of the frozen assets. It clarifies the distinction between a temporary obligation and indebtedness. Constitutional restrictions narrow pretty definitely the range of indebtedness that may be incurred by school districts. It is important, therefore, to be clear on the question as to what shall constitute indebtedness, and the definition of indebtedness has been left to the Legislature and the courts. We were very ably assisted by attorneys from two of the largest bonding attorney firms in the State. We also consulted carefully a number of school officials from districts which have been very hard pressed by financial problems. We drew a clear distinction between a temporary obligation and indebtedness. Essentially the distinction is this; obligations incurred for which there has been pledged the anticipated revenue for the current year are not debt limitations in the sense of being restrictions on the constitutional borrowing power. This measure also makes it possible, under its provisions for temporary loans to incur temporary obligations for a three-year period for such purposes as purchasing school buses, thereby making it possible for some districts to enter upon a program of transportation which otherwise could not be entered upon. This measure does definitely require that bonded indebtedness hereafter incurred shall be for a term not exceeding a twenty-five year period and that provision shall be made for the annual retirement of the principal. There are several other important provisions of the measure but this much will give you a general estimate of the law.

One of the other finance measures that created some real excitement among teachers was Act 92, Senate Bill 414, because it is the finance measure which made it possible for districts of the first class to issue bonds pledging the repayment of funds heretofore used for current purposes. This was followed by the measure, Senate Bill 416, that made possible the cut of salaries of teachers now above the levels heretofore set up under the Edmonds Act and the local salary schedules in districts of the first class. Teachers feared that this measure would be the signal for legislation statewide in nature requiring salary cuts, but no general salary cut law was enacted.

Act 385 is significant as a finance measure because it is what we

styled the general postponer. Early during the Session the question arose as to whether there should be a repeal of the measures which contemplated increased reimbursement from the Commonwealth for transportation, tuition, vocational education expansion, supervisors of special education, et cetera. In conferences which were held by members of the Education Committee, in which I had the pleasure of participating, it was decided to enact a general postponer instead of taking each of those acts and amending it in detail. Act 385 is the measure which does that postponing.

2. Legislation Regarding Transportation and Attendance

Act 222 and I do not recall the act number, but it was House Bill 1423, are two measures which have a direct bearing upon transportation although they are not definitely school legislation. Act 222 amends the Public Utility Commission Act and House Bill 424 amends the Vehicle Code. You are probably aware of the fact that there are a great many different agencies which by law enter into this picture of regulating transportation. The State Council of Education is vested by law with duty and authority to set up standards and regulations regarding vehicles and other transportation safeguards. The Department of Public Instruction is charged with the administering of transportation budgets and transportation contracts. The Public Utility Commission enters into the picture whenever there is a common carrier that is involved. The Vehicle Code sets up its controls with regard to additional standards of safety. So you see you are under at least five different regulatory agencies and it is pretty hard to keep those agencies from being in conflict in matters of setting up standards and a good step forward has been made in the two measures which I have mentioned here.

Act 352 confirms the obligation of the Commonwealth to reimburse on transportation provided for physically handicapped children. May I urge that in any case of this kind you get prior approval. Try always to get your approval in advance and save yourself embarrassment. This measure also has something to say with regard to the famous Section—1418 of the School Laws. Section 1418 says that if a child resides more than two miles from the nearest public highway to the nearest public school the district must provide transportation, but if it does not provide transportation the child can just stay at home. If the transportation is provided, reimbursement must be forthcoming from the Commonwealth regardless of the question of age. Heretofore the reimbursement was provided only in case the child was of compulsory attendance age. Therefore, there was a tendency in the past to act very carelessly on the question of age. That checking is not necessary now if the district thinks it is worthwhile to provide transportation for the child to the high school.

The third topic is the topic concerning attendance. Act 352 carries the provision which suspends the provisions for required attendance of the seventeen-year old. The provision of the act of 1937, you will remember, specified that children should from that time on, beginning with the school year 1938-1939, continue in attendance until they had attained to the age of seventeen. The result of this change is that children for the year 1939-1940 must continue in attendance until they have attained to the age of seventeen, but are not required to continue in attendance until the age of eighteen. Acts 226 and 227—some of you had found serious difficulty in the enforcement of the law pertaining to children who have reached the age of sixteen. When you sought to enforce the legal requirements for attendance you found that juvenile courts and county courts did not have the jurisdiction which applied to those under sixteen. An act of 1937 made children failing or refusing to attend school violators of the attendance law; nevertheless, the juvenile delinquency act did not recognize children of sixteen years or older as juvenile delinquents. The new law does, so you have plenty of leverage for going to your juvenile courts, or the county court declaring a child a delinquent with respect to his attendance, and it does not become necessary to carry him bodily into school.

3. Legislation Regarding Vocational Education and County Planning

I would like to mention as my next major topic the provisions concerning vocational education. In the main these provisions are reenactments of the provisions of 1937 except that in Act 354 and in Act 387 the schedules which were contemplated in 1939 for a more liberalized reimbursement have, of necessity, been barred except as to the evening schools. Act 355 is of special importance because it increases the authority of county boards with regard to the county vocational education program and does make possible a special tax levy for the purpose without the necessity of obtaining the local vote of the district to levy a county-wide tax for the setting up of a county-wide program in one school or more schools as is deemed advisable.

I will pass now to the general topic of county planning, using Act 355 as a transition. I would like to mention also under this county planning, Act 275 which was House Bill 737 and which amends the Ruth-Brownfield Merger Law. The chief things accomplished in this amendatory act are these. First, provision is made for the employment of a solicitor as needed when mergers are contemplated. I think, therefore, there is no justification for employing a county solicitor for any other purpose. Another thing that this act provides is that it would not be necessary to have the 1,440 school districts of this Commonwealth which otherwise would have been compelled to vote in November of this year as to whether they would merge with other districts. As a substitute for that provision the question of voting upon merging of school districts is a question to be determined by the county board with the concurrence of the boards in the districts concerned. Those are the major provisions in this amendatory act.

Act 354 sets up a better provision for auditors. Under this law auditors in merged or union school districts can now be chosen from the new union district as a whole.

4. Legislation Regarding Teachers

Now with regard to teachers. One of the acts that I have mentioned as carrying a provision for salary cuts applies only to the first class districts of the State. Another act affecting teachers is Act 353 which supplements one of the acts of 1937 which specified that no teachers may hereafter be employed who are not citizens of the United States except in the case of exchange teachers.

May I mention jointly Act 321 and 318 since they are companion measures concerning group insurance. The joint provisions of these two acts enables teachers to arrange for their boards to deduct and pay over their insurance premiums on a group insurance basis, the protection covering accident, sickness, and death benefits at very low rates.

Act 120 amends the Sabbatical Leave Law. Districts may now require that before a Sabbatical Leave will be given to any teacher she may be required to serve in that district as much as five years.

Act 274 amends the Teachers' Tenure Law. The amendments to that law include the drawing of distinctions between "substitute" and "temporary employe." A substitute is employed now only where an actual position exists with someone actually under contract for the place and the substitute merely pinch-hitting. A substitute does not assist for any period longer than a half year. A probationer is a teacher who is employed for a real vacancy and serves for a period of two years. If her final rating at the end of the two years is satisfactory, she must be given a permanent contract. Suspension is based upon the results of ratings. Because of teacher tenure, boards of school directors choose teachers more cautiously. Certainly, if there must be suspensions it would be highly desirable to suspend first the weakest teacher whether she was employed last or not. Another major provision of this amendatory act is the provision concerning appeal. Already we have right on our doorstep four cases which shall be heard soon. I am inclined to think that as the rating proceeds the number will become increasingly small and I want to take opportunity here and now to commend Superintendent Morrow for what he said yesterday. Well, that is not School Law. I will, therefore, stop.

Chairman E. A. Quackenbush:

Thank you, Doctor Ackley, for a very excellent discussion of our new legislation.

At this point the program calls for consideration of the problem of financing public schools. The next speaker, because of his experience and position, should be, and is, well qualified to discuss the matter of financing education.

It gives me pleasure to introduce Dr. Donald P. Davis, Director, Bureau of Administration and Finance, who will speak to us on the topic "Financing Public Schools,"—Doctor Davis.

Financing Public Schools

DONALD P. DAVIS
Director, Bureau of Administration and Finance
Department of Public Instruction

I. INTRODUCTION

The purpose of this discussion is to apply the general theme of this Education Congress, "An Evaluation of the Public School Program of Pennsylvania," in a brief appraisal of our public school financing and to suggest a few remedies.

II. AN APPRAISAL OF FINANCING PUBLIC SCHOOLS

A. Causes of Increased Expenses

Some of the major causes of increased expenditures in school districts are as follows:

1. Increased enrolment in secondary schools.
2. Enriched curriculum.
3. Number of teaching positions in the elementary schools not reduced according to decreased enrolments.
4. Increased debt service cost.
5. Increase in transportation facilities.

Comment is required only on the last two of these causes of increased expenditures. A greater part of the present budget is required now to pay increased debt service costs. In 1924, nearly 14.0 per cent of the budget was required to meet the obligations of debt service cost. In 1929 this had increased to 15.4 per cent, in 1934 to 23.2 per cent, and in 1937 it was 18.6 per cent of all the expenditures for public school purposes. One cause for this increase in debt service expenditures is due to the fact that during 1920 to 1930 there was a rather extensive school building program. Bonds were sold for the purpose of paying for these buildings under the old law governing indebtedness, and maturity dates were placed well toward the middle and latter half of the bond issue periods. We have now entered into the period of these bond issues when the major amount of the bonds are maturing. Another cause is due to additional loans that many school districts have been compelled to make as an emergency measure to provide immediate cash in lieu of uncollected property tax in the form of frozen assets. Still another cause is due to deficit financing, which necessitates the payment of loans and interest in a year subsequent to the year in which the material is purchased or service rendered. To meet these obligations requires now nearly nineteen cents of each dollar of receipts in school districts of Pennsylvania to be applied to the payment of principal and interest on accumulated debts.

The increased attendance in secondary schools, the consolidation of schools, and the continual widening of attendance areas in rural and small urban communities have greatly increased the need of transportation facilities. Not only has the quantity of transportation been greatly increased, but in keeping with modern safety standards, safer and better quality of equipment and improved services have been furnished. The cost of transportation in the school districts of the State has increased nearly 150 per cent. Transportation is a major problem not only in Pennsylvania, but it is demanding major consideration and is assuming a larger and larger proportion of the school budgets in other states as well, and will continue to do so.

B. A Few Problems of Organization and Administration Affecting the Financing of Public Schools

1. Reorganization of Administrative Units and Attendance Areas

There are a few major problems affecting financing that are tied up with the organization and administration of our schools. One of the biggest of such problems is that of the reorganization of administrative units and attendance areas wherever needed in order to make it possible to offer a complete educational program. This is necessary in order to make it possible to maintain an effective school organization for the best interests of the children of the various communities of the Commonwealth as well as for economical administration. By economical it is not meant that the schools of larger administrative units with larger attendance areas will be maintained for an expenditure of fewer dollars, but reference is made to economical in its broader sense that each dollar expended will purchase more effective educational services.

Of the 1,261 high schools in the State, 311 have an enrolment of less than 100. To operate such small high schools results either in offering a meagre educational program or in unjustified high per pupil cost, or both. One of these 311 high schools has an enrolment of fifty-one with a per pupil cost per year of $185. These fifty-one pupils could be transported a comparatively short distance to a larger high school center at considerably less cost. Everything possible should be done to have small school districts merge with other districts and reorganize their attendance areas so as to eliminate such situations as just cited and to furnish in each community in the State a complete modern educational program with economical and effective administration.

Legislation initiated in the 1937 Session of the General Assembly and amended in the 1939 Session sets up the machinery for the merging of school districts. But in applying this legislative machinery to the merging of school districts and consolidation of schools, a few major financial barriers immediately arise that challenge our attention.

Some of these barriers include the variations in tax assessments and levies, variations in rates for State reimbursement, the disposition of assets and liabilities of districts concerned, different salary schedules in districts of the third and fourth classes, the lack of funds for providing school buildings for consolidation purposes, and weaknesses in the present law covering reimbursement for transportation. Solutions must be found for the removal of these financial barriers to facilitate the merging of school districts.

2. Unbalanced Budgets

Unbalanced budgets is another serious problem affecting financing of school districts. Many districts balance their budgets merely on paper anticipating the receipts of the whole amount of taxes levied. At the close of the fiscal year there is a deficit to the extent of the uncollected taxes. Such artificially rather than actually balancing the budget has caused large accumulated deficits in many districts.

Past experience is the best guide in anticipating receipts for the year. If only seventy-five per cent of the property tax and forty per cent of the per capita tax and $50,000 on delinquent taxes were paid last year, possibly this would be the best guide as to the amount of levied taxes to be included in the budget as anticipated receipts that could be counted upon for the fiscal year's business.

According to a study made in 1933, one out of every five districts in the State had current liabilities in excess of current assets, that is, after all current assets, such as delinquent taxes, were deducted from temporary loans and other unpaid current obligations, these districts still showed deficits. It is, therefore, evident that the majority of these districts either did not control their expenditures to keep within their budgets or failed to levy an adequate tax to balance the budget. In other words, one out of every five school districts in the State were spending beyond the funds which they had provided. Unfortunately, instead of saving money by running one or two mills under the tax levy required, in reality, this means either higher taxes or less money for current expenses in the future, or both, as these deficits must be met eventually with the payment of original cost plus interest.

The law is strict in this regard. The School Laws do not provide for additional appropriations in the budget during the fiscal year except to meet emergencies, such as epidemics, floods, fire, or other catastrophies. School officials need to give careful attention to controlling the budget and keep expenditures within the amount of money provided in the budget.

3. Economy Needs to be Practiced

In these strenuous days of financing public schools, strict economy needs to be practiced. There is a vast difference between economy and retrenchment. Anyone can direct retrenchments. All that is necessary is to cut salaries, reduce personnel or curtail services. Economy, in its larger sense, means much more than this. Economy is effected through a careful study for the justification of each part of the budget and through reorganization, where needed, and careful supervision and control of expenditures to make each dollar go farther and buy more materials or services.

In order to do this any wastes, overlapping or indefensible services or materials need to be detected and eliminated. The business as well as the educational organization and administration needs to be of the best type and should be thorough and effective.

One district superintendent entered upon his new duties in a certain school district and modernized the curriculums, introduced vocational education, special education and guidance, reorganized the high school, increased greatly the quality of the instructional personnel, et cetera. He operated much better schools and gave the community improved educational services at even less per pupil cost than before he took charge of the schools. He did this by practicing economy in the educational and business administration of the schools. Much can be done by local school officials through careful administration and the practice of economy, in its larger meaning, not only in paying off the old debts of school districts but also in providing better educational services as a whole through savings effected at places in the budget where savings are possible through careful administration. This is both a challenge and an opportunity.

C. Present Difficulties in Raising Revenue and Some Remedies

1. Decreased Tax Rate During Depression not Fully Restored

Let us now direct our attention to some of the difficulties at present in providing revenue for the support of public schools. One difficulty is that the decreased tax rates in many school districts during the depression have not been fully restored. The personnel of school boards have changed and many boards have been reluctant because of public opinion and other reasons to restore the tax rate to the place where it was before the depression even though many of these districts have returned to, if not exceeded, the level of expenditures under the higher tax rate previous to the depression.

2. Inability to Collect Taxes Locally

Another very definite difficulty in providing revenue is the inability during the last few years to collect taxes that have been levied. During the worst depression years tax penalty abatement laws were passed by the General Assembly to give relief to those who were unable to pay their taxes. Unfortunately after the worst years of the depression had passed, each Session of the General Assembly continued to pass tax abatement laws abating the penalties and interest on taxes. This, together with the inability of people to pay taxes, has encouraged many to delay and to shirk their duty in the payment of taxes. The responsibility of people in the payment of per capita tax has been looked upon lightly. In the first place, in many communities there is not anything like the total number of people twenty-one years of age and over, residing in the communities, listed on the tax books. In the second place, people are reluctant to pay this tax, and, in the third place, in many school districts very little effort has been made for the collection of this tax. However, some districts have very faithfully presented the delinquent per capita tax claims of those who were working and had this tax deducted from their wages by the employer. In districts where this has been done, the revenue of such school districts has been considerably supplemented.

The accumulated assets in frozen form in school districts of Pennsylvania amounted in July, 1938 to $80,000 for delinquent taxes, $1,500,000 for tuition, and nearly $10,000,000 for all other accounts receivable, or a total amount of frozen assets of over $91,000,000. Because of these frozen assets there was unpaid in the way of liabilities in school districts over $3,000,000 on teachers' salaries, $1,500,000 on tuition, $150,000 on transportation, and $8,500,000 on other accounts to say nothing about the millions of dollars of liabilities in the form of temporary loans and Mansfield Bonds incurred to provide immediate cash to operate the schools.

3. Recent Legislation Providing for Emergency Financing

Emergency legislation passed in the 1939 Session of the General Assembly provided for the financing of these accumulated debts, outstanding bills and salaries and the pledging of delinquent taxes for their payment. It is well for school officials to make use of this emergency legislation to liquidate these accumulated liabilities.

4. Financially Handicapped School Districts

Difficulties in financing schools are evidenced by the fact that many school districts require additional funds from the appropriation for financially handicapped school districts in order to carry on. In the year 1933-1934, 20.2 per cent of all the school districts of the State were given special aid grants. As times gradually improved in the following years from the depth of the depression, this was reduced until in the year 1935-1936 special aid grants were made to only 11.9 per cent of the school districts. Since then this amount has been increasing until last year, 1938-1939, special aid grants were given to 16.7 per cent of all districts in the State. When it is necessary that such a large per cent of the school districts of the State must depend in part upon a relief fund in order to keep the schools operating, this is a challenge to study our basic law with respect to local financing and the distribution of State funds to school districts.

5. Assessments of Property

In spite of the fact that the total amount of assessed valuation of property taxable for school purposes in Pennsylvania is larger than in 1924 yet the assessed valuation per pupil enrolled in the public schools is slightly less. This means that the same tax levy now as in 1924 will not produce as much money for the education of each child enrolled.

Extreme inequalities in the assessed valuation of properties exist throughout the State. In a check of the amounts for which eighty-eight properties were sold in a certain borough, one property which was sold for $2,700 was assessed at $2,200; another property sold for $15,000, but was assessed at only $3,200; and another property sold for $15,000, but was assessed at only $2,000. The first property mentioned was assessed at eighty-one per cent of the market value and the last property at only thirteen per cent. On this basis, it would be possible for two neighbors to have the property of one assessed at thirteen per cent and the property of the other assessed at eighty-one per cent of the market value. These wide variations indicate the unfairness of the amount of property tax that some people pay as compared with the amount paid by other taxpayers of the same community.

The Department of Public Instruction is now making a study of assessments of property in a few school districts well scattered throughout the State. The findings of one of these will further show the inequalities of assessments.

Sale values of forty-four properties in this district were checked and compared with the assessed valuations. The assessed valuation ranged all the way from five to eighty per cent of the sale value with a medium at eighteen per cent. The secretary of this school district on his last official report indicated that the property was assessed at sixty per cent of the real value. This school district applies for aid from the financially handicapped school district appropriation each year and at the same time assesses its property at only eighteen per cent of the market value. This district levies a tax of forty-five mills on eighteen per cent of true valuation which would be equivalent to about eight mills on 100 per cent of true valuation. This clearly indicates hidden property wealth in this district.

There is a tendency to conceal the wealth in tax assessments. Assessors are elected or appointed entirely independent of school boards. Consequently, property for tax purposes is assessed by officers not in any way responsible to school boards, and they have no responsibility directly in the financing of public schools. They are likely to be influenced in various ways in making assessments. There is a tendency to assess the most valuable real estate at a less per cent of the real value than property of lesser value. Assessed values are often kept low on industrial plants in order to keep them in the district and to serve as an incentive for other industries to come into the community. Corporations often, through requests to the county commissioners or through court proceedings, have the assessed valuation of their properties greatly reduced, even making such reductions sometimes retroactive, thereby causing school districts to refund thousands of dollars to such corporations. On a relative basis the more valuable property throughout the State is often not carrying its share of property tax burden, or to put it in other words, properties of low value are paying more than their proper share of the tax burden.

Inequalities in assessments exist also between school districts. Table 1 gives the results of a study of the borough school districts of one county in the State. By referring to this table it will be noted that according to the official reports of the secretaries of school boards, properties were assessed at twenty-five per cent of the true valuation in one school district and 100 per cent in another district, with the assessments in the other districts ranging between these two extremes.

Table 1. Comparison of Assessed Valuation and Millage in Boroughs Which are School Districts of the Third Class in a Certain Pennsylvania County

District	Enrolment in Elementary School	Assessed Valuation	Per Cent of Real Valuation	Real Valuation	Real Valuation Per Pupil	Assessed Valuation Per Pupil	Millage	Millage to Give Same Funds as District A	Property Tax Per Elementary Pupil
A	1,874	$3,922,605	25	$15,690,420	8,373	2,093	30	30	62.79
B	2,279	13,876,920	50	27,753,840	12,178	6,089	22	10	133.96
C	2,093	7,905,710	66 2/3	11,858,565	5,661	3,774	29	17	109.45
D	1,287	6,125,155	30	20,417,183	15,864	4,759	25	13	118.98
E	946	2,694,915	100	2,694,915	2,849	2,849	24	22	68.38
F	3,856	15,324,123	50	30,649,246	7,948	3,974	24	16	95.38
G	1,954	8,706,917	27½	31,661,516	16,203	4,456	20	14	89.12
H	978	4,136,205	75	5,514,937	5,639	4,229	24	11	101.50
I	1,772	4,895,115	25	19,580,460	11,050	2,763	28	23	77.36
Median	1,874	$6,125,155	50	$19,580,460	8,373	3,974	24	16	95.38

On the basis of the actual assessed valuation per pupil one of these districts had nearly three times the financial ability of another to provide money through a tax on real estate. But on the basis of true valuation the first district has less than one and a half times the financial ability of the second district. Again, this is evidence of hidden real estate wealth in the second district.

The actual millage of school districts differs greatly. In the nine districts in this study in the same county the millage varies from twenty to thirty mills on assessed value of property ranging from twenty-five to 100 per cent of the real value. In computing the millage required in the other districts to furnish the same amount of money per pupil as in the district with a thirty mill tax levy, the millage of these districts would range from ten to twenty-three mills. The actual amount of money raised per pupil on the basis of the tax levy varies from $62.79 in one district to $133.96 in another district with the other districts ranging between these amounts with one half of these districts furnishing at least $95.38 of tax money per pupil. For every dollar of property tax furnished in these districts, the district raising the least by its tax levy had to be contented with sixty-six cents. These inequalities between districts of the same county can be duplicated in county after county.

Inequalities of the amounts with which properties are assessed as compared with their real values not only vary greatly within single school districts and also greatly between districts, but even the averages of whole counties, with the extremes absorbed, vary greatly throughout the State. Horner,[1] in his state-wide study of indebtedness of school districts in Pennsylvania under the supervision of county superintendents, found that in school districts of the fourth class the per cent the true valuation is of the assessed valuation ranged all the way from 101 per cent in one county to 348 per cent in another with a ratio for the Commonwealth as a whole at 147. In school districts of the third class under the supervision of county superintendents, he found that the per cent the real valuation is of the assessed valuation ranged all the way from 100 per cent in one county to 263 per cent in another with the ratio for all of these districts at 139 per cent.

These facts set forth the very great inequalities and inefficiency in the assessment of properties for tax purposes throughout the school districts in Pennsylvania. The present law permits State Funds to be distributed over an unequal base of local support that has large variations between school districts and different sections of the State. In order to make any kind of a distribution of State Funds on an equitable basis, it is necessary to make that distribution over a common base for local taxation. Consequently there should be some uniform guiding principles and regulations set up and supervised by some body on a state-wide basis and a more scientific attack made on this tremendously important problem. This could possibly be provided through a State tax commission or otherwise to bring about the desired results.

[1] Horner, Meyers B.: *Indebtedness of the School Districts of Pennsylvania under the Supervision of the County Superintendent of Schools.*, University of Pittsburgh, 1938. A Doctor's Dissertation.

6. State Appropriations Made Without Sufficient Regard to Financial Need of School Districts

The amount of wealth in school districts or their financial ability differs greatly. One would naturally think that the cities of the State would have centered in them the greatest amount of wealth for the support of public schools. But on the basis of the true valuation per teacher, by referring to Table 2 it will be noted that the wealthiest school district of the fourth class has a true valuation per teacher of over $2,000,000 while the wealthiest district of the third class has a valuation of a little over $700,000, the wealthiest district of the second class a little over $650,000 and two school districts of the first class have a true valuation per teacher between $300,000 and $400,000. School districts of the fourth class include both the wealthiest and poorest districts of the State. While three districts of the fourth class have a true valuation per teacher of over $1,000,000, nine hundred districts have a true valuation of less than $50,000 per teacher, together with 33 districts of the third class. Seven hundred sixty-four districts of the fourth class have a true valuation between $50,000 and $100,000 together with 101 districts of the third class. The wealthiest school district in the State has 2,842 times the financial ability of the poorest district to finance its public schools. State appropriation is distributed to all school districts having $100,000 or more true valuation per teacher without any regard to these great variations in the amount of wealth in the various school districts.

Table 2. Distribution of School Districts of Pennsylvania According to True Valuation Per Teacher for the 1939-1941 Biennium

True Valuation per Teacher In Thousands of Dollars	Class of District				
	Total	Fourth	Third	Second	First
Over 1,000	3	3			
Over 900—1,000	2	2			
Over 800—900	..	..			
Over 700—800	7	6	1		
Over 600—700	7	5	1	1	
Over 500—600	10	9	1		
Over 400—500	23	18	4	1	
Over 300—400	69	54	11	2	2
Over 200—300	155	111	37	7	
Over 100—200	476	398	69	9	
Over 50—100	865	764	101		
0— 50	933	900	33		
Data not available	3	3			
Total	2,553	2,273	258	20	2

The true valuation per teacher is the basis upon which the rate of reimbursement by the Commonwealth for the individual school districts is ascertained. The true valuation per teacher for the school year ending July 1938 was only 71.3 per cent of that in 1924. As the true valuation per teacher continues to decrease below $100,000 in a larger number of school districts, this places a larger burden upon the amount of money required from the State.

While wealth is concealed in property assessments, a greater amount of wealth is concealed in intangibles including various types of investments. The present tax law was placed on the statute books many years ago when a major part of the wealth of Pennsylvania was invested in real estate. Even though much less of the State's wealth is today invested in real estate, yet real estate must bear practically the entire burden for the raising of funds locally for the support of public schools. While real estate represents now much less than half of the wealth of the State, the major amount of the wealth being invested largely in intangibles, yet this real estate, representing less than half of the State's wealth, must bear nearly eighty per cent of the cost of public schools today. Our present tax laws for the raising of local funds for school purposes have long ago become obsolete and place entirely an undue share of the tax burden on the local real estate owner.

The present law governing the distribution of State funds to school districts, commonly known as the Edmonds Act, was a great improvement and has rendered a valuable service. However, through the years, experience has shown some weaknesses as would be expected. The law fails to define a teaching unit. Consequently, the Commonwealth is under an obligation to pay to a school district appropriation for every teacher that is placed on the payroll according to law at the discretion of the school board. Wealthy school districts that can add personnel to their teaching force may receive additional State appropriation while poor school districts that can not pay their share to add teachers to the payroll cannot receive additional State appropriation. The number of teachers or professional employes for which a school district would be entitled to receive State appropriation should be determined on the basis of a definition of what constitutes a teaching or professional employe unit.

An attempt has been made in the present law toward equalization. A higher rate of reimbursement is provided for school districts having less than $100,000 of true valuation per teacher and a still higher rate for those districts having less than $50,000 of true valuation per teacher. It has been found that while this is a provision in the right direction, the steps of rates of reimbursement are entirely too few and too far apart to meet adequately the needs of school districts with varying financial abilities throughout the Commonwealth. School districts near the borderline can change to a higher classification for appropriation purposes by a change in their annual financial report made with respect to the per cent of the real property valuation which is assessed for tax purposes and it is a constant temptation to school officials, since the per cent the assessed valuation is of true valuation is largely a guess anyway, to change this guess or estimate so as to get into a higher classification to receive a higher appropriation.

7. Equalization Fund Plan

An equalization fund in lieu of the present financially handicapped school district fund is one of the major needs in financing public schools in Pennsylvania. The financially handicapped school district fund, basically and fundamentally wrong, is serving a very important present emergency need and will need to be continued for some time.

An equalization fund plan is not at all new. At least three-fourths of the states of this country have an equalization fund plan in some form. Various studies have been made in Pennsylvania along this line. A very comprehensive study and report was made by the Commission of 1927[1] and again by the Commission of 1929.[2] The Educational Costs Survey Commission of 1935[3] took this into consideration and only last year the Pennsylvania State Education Association made a very commendable study,[4] a report of which was made at the 1938 Education Congress.

Basic principles of an equalization fund plan are these: (a) an acceptable minimum educational program; (b) a defined professional employe unit; (c) a fixed cost of a professional employe unit to furnish an acceptable minimum educational program both on the elementary and secondary school levels; (d) a uniform tax levy on true valuation of taxable property for the support of the equalization program; (e) balance of cost of equalization program to be paid by the Commonwealth.

By professional employe, it is meant not only teaching but also non-teaching professional employes, including school nurses, dental hygienists, home and school visitors, supervisors, principals, and superintendents. A uniform tax levy on true valuation would be a requirement in all school districts to be eligible to benefit from the equalization fund and for the purpose of providing in each district its share of the designated cost of each professional employe unit. Each district would levy over and above this uniform millage whatever number of mills that would be required to provide funds for debt service, capital outlay, and any additional educational program and services it would want to render beyond those included to the level of the equalization program. Through the preliminary study made last year, using over two hundred school districts well scattered over all parts of Pennsylvania as a basis, it was found that the number of pupils per professional employe was thirty-one in the elementary school and twenty-six in the secondary school. For practical purposes, the number finally used was thirty pupils in the elementary school and twenty-five pupils in the secondary school per professional employe. The cost of the educational program was approximately $2,000 per professional employe unit in the elementary schools and $2,500 in the secondary schools. This indicates that the cost of a professional employe unit in the elementary school as compared with the high school is on the basis of a ratio of four is to five.

Most studies in Pennsylvania have indicated that the uniform millage to finance an equalization program should be five or six mills. In order to see how this plan would work and to what extent it would solve the problem of financing public schools in Pennsylvania, the Department of Public Instruction has applied the plan to every school district in Pennsylvania using various levels as to cost, but keeping the elementary and secondary school costs always in the ratio of four is to five.

It will possibly help to clarify the plan by applying it to three school districts with widely varying financial abilities. A local millage of six mills on true valuation and a cost level of $1,600 per professional employe unit including thirty pupils in the elementary schools were used. Each professional employe unit of $1,600 would be financed jointly by the local district and by the Commonwealth. The amount for which each local district would be responsible would be the amount of money raised by a six mill tax levy on true valuation. Chart I shows the application of the plan to three school districts. District A, with a true valuation of only $9,000 per teacher would furnish only $55.00 of the $1,600. District B, with a true valuation of $99,000 per teacher would furnish $600; and district C, with a true valuation of $221,000 would furnish $1,325 of the $1,600. In each case at least the remainder of the $1,600 would be furnished by the State. In no case would a district receive less State appropriation than at present for teacher's salaries, vocational education, special education, and closed schools. The present State appropriation, together with local funds from a six mill tax levy in District A, furnishes $725 leaving the balance of $1,600 or $875 to be furnished from the State equaliziation fund. In district B, $1,125 is furnished by local tax and present State appropriation leaving $475 of the $1,600 to be supplied from the equalization fund. District C, with its greater financial ability to support an educational program has available $1,775 from local tax and present appropriation, and therefore, would receive no money from the State equalization fund.

On the basis of this level, every school district in the Commonwealth that so desired would have the opportunity to be guaranteed an elementary school educational program to a level that could be purchased for $1,600. Districts that could afford it could enrich this program to any extent desired beyond this guaranteed minimum program, by bearing the additional costs locally. The application of this plan to secondary schools follows the same general principle only uses a higher cost per professional employe unit.

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[1] Commonwealth of Pennsylvania, Commission to Study the Distribution of State Subsidies to School Districts. *Report of the Commission to Study the Distribution of State Subsidies to School Districts.* 1927. (Out of Print).

[2] Commonwealth of Pennsylvania, Commission to Study the Present Plan of Financing the Public Schools and Related Matters. *Report of the Commission to Study the Present Plan of Financing the Public Schools and Related Matters.* 1929. (Out of Print).

[3] Commonwealth of Pennsylvania, Educational Costs Survey Commission. *Report of the Educational Costs Survey.* 1935.

[4] Pennsylvania State Education Association, Committee on Survey of School Costs. *Report of the Committee on Survey of School Costs,* Harrisburg: the Association, 1938. 204 p.

CHART I

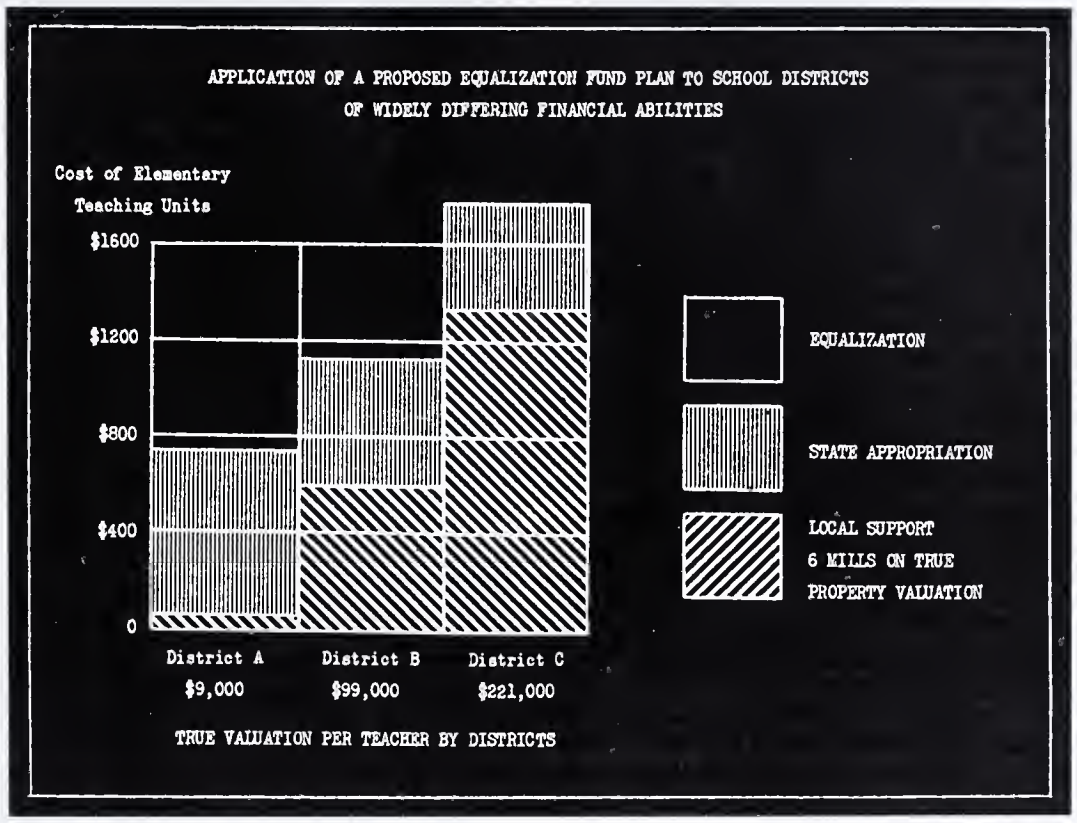

Table 3 shows the maximum cost of the proposed equalization plan and the number of districts benefited. The Department in applying this equalization plan to every school district in the State using a uniform tax rate of six mills for the equalization program with a professional employe cost level of $1,200 in the elementary schools and $1,500 in the secondary schools, found an annual equalization fund of 9.2 millions would be required to benefit 1,444 of the 2,553 school districts. This might be step one in the application of an equalization program in Pennsylvania.

Table 3. Maximum State Funds Required and Number of School Districts Benefited by a Proposed Equalization Plan on Different Cost Levels. (Based on 1936-1937 Data)

Local Tax Levy	Cost Levels: Elementary Unit	Cost Levels: Secondary Unit	State Funds In Millions of Dollars	Number of Districts Benefited
Six Mills on True Valuation	$1,200	$1,500	12.0	1,672
	1,400	1,750	16.1	1,829
	1,600	2,000	24.6	2,011
Five Mills on True Valuation	1,200	1,500	12.0	1,672
	1,400	1,750	20.3	1,966
	1,600	2,000	29.5	2,182

A second step might be the next level of $1,400 as the cost of a professional employe unit in the elementary school, and $1,750 in the secondary school. A condition might be applied at this step requiring each school district to provide a complete educational program in order to be eligible to participate in the equalization program. If and when all school districts could qualify to this condition, an annual equalization fund of 16.1 millions would be required to benefit 1,829 school districts.

Another and third desirable step would be the level of $1,600 per professional employe unit in the elementary school and $2,000 in the secondary school, which would require an annual equalization fund of 24.6 millions and would benefit 2,011 school districts if and when these districts qualified to participate in the equalization program. It will be recalled that the preliminary study showed that over 200 school districts in Pennsylvania now providing a complete educational program are actually paying $2,000 per professional employe unit in the elementary school and $2,500 in the secondary school. This third desirable step would still be $400 under the actual amount paid now in these 200 school districts in the elementary school and $500 less than in the secondary school.

The application of the three cost levels with a uniform five mill tax levy increases the amount of equalization fund to each district and benefits a larger number of school districts and requires a corresponding larger equalization fund.

The amounts of the annual equalization fund given are maximum amounts from which would be deducted the amounts that would not be required because certain districts would not qualify to participate in the equalization program. A further compensating fact is that the equalization fund would tend to reduce the amount required for the financially handicapped school district fund. If not at the second level, at least at the third level, it is possible that there would not be required any appropriation for financially handicapped school districts.

8. A Shift in Source of Taxation

Any equalization plan would call for less tax raised locally in a majority of districts and more taxes paid into the State to be redistributed according to the financial needs of school districts. Funds for the support of public schools must be provided by taxing the wealth of the people of the State. Whether these funds are provided through local taxes on real estate or through State taxes on other forms of wealth, in the final analysis, the people of the State pay the taxes in either case. However, the sources of taxes and the machinery set up for handling taxation determine to a large extent who pays the larger amount of taxes and how equitably the tax responsibility is distributed to the people of the State.

Earlier in the discussion it was pointed out that real estate today is bearing much more than its share of the school tax. If and when the problem of financing the schools of Pennsylvania is solved, it will be necessary to seek new sources of taxation. These new sources of taxation should distribute the tax burden on the people of Pennsylvania in a more equitable manner than at present. It should pass relief to the home owners of the Commonwealth in the form of reduced school taxes on real estate. This has been needed for years and is urgently needed now. The General Assembly can determine whether the new source of taxation should be an income tax, sales tax, or some other form of tax. A larger portion of the funds raised

by the State and distributed according to the financial needs of school districts over the State with scientifically equalized assessments of property as a base for local taxation, would finance public schools in a more business-like manner and afford a more equalized and effective educational program to the school districts of the Commonwealth.

III. SUMMARY OF SOME REMEDIAL MEASURES

1. The budget of school districts should be actually balanced and controlled so that expenditures are kept within the limits of the funds provided.
2. Financially handicapped school districts having no overcrowded condition should not fill teacher vacancies in the elementary schools if the pupil-teacher ratio is low.
3. Accumulated debts and old accounts should be financed through recent emergency legislation provided for that purpose.
4. Reduce rapidly and eliminate at earliest opportunity deficit financing of current expenses.
5. Deficit financing should be reduced to a minimum and eliminated at the earliest opportunity by limiting the appropriations in the budget to the actual amount of taxes and other revenue actually anticipated to be received during the fiscal year on the basis of previous years' experience.
6. Remove so far as possible financial barriers to merging of school districts and consolidation of schools through legislation.
7. Organize and administer the public schools on the basis of strict economy in the broader meaning of economy so that the most will be purchased for each dollar of public funds expended.
8. Equalize assessments of property taxable for school purposes and reveal concealed real estate wealth through a State tax commission, or otherwise.
9. Taxes need to be shifted in part from real estate to other sources of taxation to solve the financing of schools in Pennsylvania.
10. Provide a State equalization fund.

GENERAL DISCUSSION

The Chairman opened the general discussion by announcing that the program at this point offered an opportunity for general discussion, and stated that the speakers would be glad to answer any questions which might have arisen in the minds of the members of the audience during the presentation of their topics.

SUPERINTENDENT C. E. DICKEY *(Allegheny County Public Schools):*

I am wondering if it would not be a good thing for the Department to recommend a change in the provisions for emergency contracts. For example, under the present act the emergency must occur during the school term. If lightning strikes a building three weeks before the school begins it is necessary to have an advertisement drawn up and placed in the paper and that means a great delay. It would not require very much change in the wording of the act to make those provisions apply to the fiscal year. I wonder if the Department would consider that?

CHAIRMAN E. A. QUACKENBUSH:

I believe that is a very good suggestion.

SUPERINTENDENT J. H. NEFF *(Huntingdon County Public Schools):*

What should school districts do who have planned their budgets for the school year 1939-1940 and have made no provision for payment of obligations incurred in following out the Thompson Plan?

DOCTOR DAVIS:

The only thing I could say would be that Section 563 provides for the transfer of money within the same fund, after the first ninety days of the fiscal year.

MR. LEWIS:

With regard to hidden property wealth, do you think a great amount of taxes would be collected if the property wealth were increased?

DOCTOR DAVIS:

I think that would depend very much upon the vicinity. It is improbable that no more taxes would come in if a higher tax were levied. I think we all agree that there is too much tax now upon real estate in a general sense. Since a large amount of the tax has to be levied locally the small property owner suffers while some property wealth is hidden. The tax levy should be adequate to balance the budget. Certainly we ought not to anticipate spending more money than we provide.

SUPERVISING PRINCIPAL GORDON E. GROFF *(Prospect Park Public Schools):*

What may we expect to see happen regarding a revival of the Thompson Building Program?

CHAIRMAN E. A. QUACKENBUSH:

I wonder if Doctor Ackley will make some prediction as to what will happen—as to what steps the Legislature may take toward this end.

DOCTOR ACKLEY:

There is a very definite dividing line between the function of the law and of the prophets. I am not in the line of prophets. I am back in the law end of it. I cannot prophesy what may happen in connection with a possible resurrection of the Thompson Building Program. Some consideration was given to the revival of the plan at the 1937 Session of the General Assembly. Any consideration that could have been entered into then was necessarily hasty in nature. Frankly, I do not know what may yet be done. All I do know is that, at the present time, it is deadened, because of a lack of appropriation of funds to carry through the statutory provision. The plan has not yet been wiped from the statutes and legal provision of funds for carrying it through has not yet been made. We are pleased to know, however, that there have been some of these plans utilized by a shift to WPA projects. A few have been shifted over to the WPA projects, but the funds for them have come from a plan other than the original.

CHAIRMAN QUACKENBUSH:

If there are no further questions we shall proceed to the next topic on the program which is an address; the subject being "The Taxation and Finance Program of the Pennsylvania Commission on the Survey of School Costs."

It gives me pleasure to introduce the speaker on this topic—Doctor Lutz, Professor of Public Finance at Princeton University.

The Taxation and Finance Program of the Pennsylvania Committee on the Survey of School Costs

HARLEY L. LUTZ

Professor of Public Finance Princeton University

The problem of the support of public education is not peculiar to Pennsylvania or any other state. Because of the magnitude to which this expenditure has arisen, many states are faced with the issue of school support. According to the *Statistical Abstract of the United States,* the total expenditures since 1870 have been as follows:

Year	*Total Expenditure (Millions)*	*Pupils Enrolled in Public Schools*	*Per cent of Enrolment to Total Population*	*Per cent of Enrolment to Population 5-17 Years*
1870	$ 63.4	6,871,522	17.82	57.00
1890	140.5	12,722,631	20.32	68.61
1910	426.3	17,813,852	19.37	73.49
1930	2,316.8	25,678,015	20.9	81.3
1936	1,968.9	26,367,098	20.5	83.6

This summary reveals the amazing expansion of American education since 1870. In the twenty years 1870-1890, the cost more than doubled; in the next two decades it was trebled again; and in the period 1910 to 1930 this cost more than quintupled again.

The pupil enrolment has increased since 1870 by less than fourfold, but the broadening of educational opportunity is revealed by the rise of pupil enrolment in proportion to the total population of school age, from fifty-seven per cent in 1870 to eighty-three and six-tenths per cent in 1936. During the depression years to 1936 the total reported expenditure for education declined by about $350,000,000, but the proportion of the population of school age that was enrolled in school continued to rise.

It is evident that this increase of education costs is to be attributed only in part to the increased enrolment. In substantial part it must be ascribed to the steady expansion of the curriculum, to the greater cost of providing and maintaining the school plant, and to the growing utilization of the school system as a means of providing recreation, health supervision, individual care, textbooks, and even subsistence in the form of school lunches.

The expenditures for education have followed the same pattern as all other branches of public expenditure, for the cost of every branch and department of government has steadily and rapidly increased during the past generation. In relation to the national income produced, the part taken by government for all purposes has risen steadily, from seven and two-tenths per cent in 1890 to twenty-seven and nine-tenths per cent in 1935. Those interested in each separate aspect of the public services are convinced that their particular branch or division deserves more financial support than it receives, and they are equally convinced that if reductions of governmental cost are to be made, they should be at some other point in the budget.

It is not my intention to enter upon a criticism of education costs. Before I pass to the topic in hand, however, I cannot refrain from two comments.

First, the justification of levying taxes to cover public expenditures for any purpose, including education, must rest, as a matter of economics, upon the creation through the expenditures of values at least equal to those consumed. To spend more than is restored to the economy, at some point or other and in some manner or other, is to contribute to the eventual loss of economic resources and the final deterioration of our standard of living. I am fully aware that in the case of education and other welfare services, no precise measure of the values created thereby is possible. All of us believe that education is beneficial, economically as well as socially, in that it makes the future citizens both more efficient as producers and more useful as citizens. At the same time all of us, as educators, are on the defensive, in a sense, in the face of the enormous level of education costs. Our critics are not so much demanding that we curtail education, as that we look more carefully into the corners of our education budgets with a view to doing the same job for less money. To some extent they may have a case, also, in objecting to some of the things now being done in the name of education. I am not at all convinced that the accepted system of teacher training, for example, has given the country the best possible results.

Second, I confess to some disturbance over the extent to which American teachers have come to believe that the American way of life, which rests on Democracy and that freedom for the individual which is essential to the private enterprise system, is no longer worth supporting. It may be that I am unduly concerned over the direction taken by the American Teacher's Union under its present leadership, and over the kind of influence exerted by some members of the faculties of teachers' colleges. I am convinced, however, that there is still a sufficient resistance, on the part of the people at large, to all of the "isms" which are burrowing under our democratic system, as to produce a marked reaction to an educational policy which may be using the taxpayers' dollars to inculcate the idea that the whole system by which those taxpayers get their dollars would better be overthrown.

With these preliminaries out of the way, I turn to the program discussed by the Pennsylvania Committee to Survey School Costs. My particular concern is with the material in Chapter II, of the committee's report. In this chapter the committee paid its respects to the Pennsylvania System of taxation and undertook, though only in outline form, the ambitious task of proposing some sweeping changes in that system. In the language of the report, the committee

> " . . . set itself the task of developing a fiscal plan which will remove or at least mitigate the glaring inequalities of the present tax system, facilitate an increase in the yield of State taxes, and provide the foundation for mechanism for bringing about greater equality of educational opportunity throughout the Commonwealth."[1]

This program embraces two distinct undertakings, namely, constructive criticism of the state's revenue system, and proposals for the equalization of educational opportunity. These matters are necessarily related, for it is only by pointing the way for a larger and more stable revenue yield that there can be a fair prospect of providing the funds for equalizing educational costs. I shall deal with these matters separately.

1. Constructive Criticisms of the Revenue System

The committee's discussion of the revenue system involves two matters, which are, first, changes in tax laws by repeal, amendment, or addition, and second, administrative reforms. For convenience these categories are dealt with separately.

(a) *Proposed changes in the revenue system:*

In connection with the changes in the revenue system, there are certain minor matters which can be disposed of quickly. It is proposed to eliminate the occupations tax as a source of local revenue and the mercantile license tax as a source of state revenue. I would concur at once with these recommendations. It may as well be said here as later, that Pennsylvania has always been extremely backward in regard to tax administration. Both of the above taxes are of a nature which requires effective administration for successful operation. Consequently, they have never had a chance in this state. My approval of the proposal to dispose of them is based on the ground that the committee's proposals contain other taxes which will effectively supplant them.

The most important source of local revenue in Pennsylvania, as in any other state, is the local property tax. This tax is apparently confined to real estate. In 1934, the levy was $322,000,000, of which $136,200,000 was for school purposes. The committee's discussion of the operation of this tax is very familiar reading. Similar discussions can be found in the reports from Wisconsin and other states as of the period preceding the introduction of more effective methods of supervision and administration. It is interesting, but rather futile, to conclude, as the committee does, (on p. 56), that in operation the local realty tax represents a *de facto* violation of Pennsylvania law. Of course, it does. It will always be such a violation, to some extent, for the experience of those states in which supervision of local assessments had been most highly developed reveals that the local assessors will not always achieve the statutory or constitutional standard of true value in property assessments. They will come very much closer to it, however, under adequate supervision than they will without it. As may be clear already, I am in complete accord with the proposal for a state tax commission, with full powers of supervision and equalization over local assessments. I am also in accord with the proposal for district supervisors of local assessors, but I do not regard the county as the appropriate supervision district. The district supervisor is a Wisconsin invention, and in that state it has been found that the supervisor can adequately look after from three to ten counties, depending on the taxable values involved. The Wisconsin supervisors of assessment are under civil service, a plan of selection which the committee proposes here. Some of them have held this post for twenty years or more, and in this time they have become highly capable.

With regard to property exemptions, it is likely that in Pennsylvania as in other states, an undue liberality in granting such exemptions has been manifest. A careful restatement of the statutory provisions, plus the supervision of assessments by a good tax commission, should correct the worst abuses. With respect to statistics, however, it is well to accept local assessors' figures on this subject with several grains of salt, as these officers are subject to no restraints in reporting such assessed values since they are for information only.

The collection of local taxes should certainly be improved, and a uniform fiscal year should be required for all local subdivisions.

With respect to the taxation of intangibles, I should certainly agree with the committee that this should be a state, and not a county tax. Local authorities are never disposed to vigorous administrative measures in such a case, and all experience elsewhere points to the need of central administration. But I am inclined to regard the proposed rate of six mills as too high. The combined

[1] Report of the Committee on Survey of School Costs, (1938) p. 49.

state and local rate of eight mills is certainly too high. A state rate of three mills would be far more reasonable, and more nearly in line with the rate that other states have found administratively feasible.

The committee's proposals with respect to the taxation of public utilities require careful consideration. Whether Pennsylvania is now obtaining a reasonable amount of revenue from this group of taxpayers is a subject on which I express no opinion. It is necessary, however, to issue a caution with respect to comparisons among states. For example, a table is given on page 62 in which are given the taxes on steam railroads per mile of line in different states. New Jersey tops the list with a tax of $10,321 per mile, as against $941 per mile in Pennsylvania. The committee did not mention that New Jersey has not been collecting all of this tax. Instead, it has had seven long years of litigation, and now has a judgment against the roads for the taxes of 1932 and 1933. Some of the companies are already in bankruptcy and any move to enforce the judgment will at once throw two or three other roads in that condition.

In general, the choice of methods for the taxation of public utilities is between a tax on gross receipts and a tax on the capital value. Either of these methods is capable of producing satisfactory results, under competent administration. But it must be emphasized that the *ad valorem* system, which is the device recommended by the committee, is far more difficult to apply, from an administrative standpoint, than the tax on gross receipts. The prolonged and expensive tax litigation that has occurred in New Jersey is a product of a narrow and unreasonable construction of the tax law. It must be realized that the market value concept which is at the basis of *ad valorem* property taxation is wholly inapplicable in the case of great property aggregates which are never transferred in any market, and that the process of valuing such properties is necessarily one which involves a compromise among various more or less fictitious estimates of this market value. The compromise figure is the assessing authority's judgment as to what the market value would be if the property were to be sold.

While I do not say that reasonable assessments of this sort cannot be made, I should emphasize that it will require the exercise of extraordinary qualities of industry, intelligence, and objectivity. It is to be hoped that the state tax commission which is recommended will always consist of men who have these qualities, but this cannot be assured.

A further source of difficulty is the proposed average state rate of taxation which is to be levied against these assessments. The committee's language is inexact in describing the factors to be used in computing this rate. In referring to the utility assessments, the term "true market value" is used; but in the formula for the determination of the average rate the term "market value" is used. This suggests that the local assessors' figures may be used as the divisor, and not an equalized "true market value" to be determined by the tax commission. The result of using local assessments as the divisor will be to inflate the average rate in proportion as the local assessors fail to assess all property at full and true value.

This is the situation in New Jersey, where the local valuations, uncorrected and unequalized, are the divisor. As a result of local competitive undervaluation, the average state rate has risen from $1.85 in 1906 to $4.53 in 1938.

The committee's proposed safeguard is inadequate and improper. It proposes public hearings in which the utilities may appear and "question the assessments." The burden of proof should be on the tax commission to sustain the equalized assessments and not on the plaintiff taxpayers. By this I mean that the state tax authority should be equipped to make, and required to make, such complete and thorough studies of the results of local assessment as to bring into its possession all available data relative to true and assessed values from every part of the state. No single utility company, operating in only a part of the state, should be required, in a tax action, to make a complete state-wide investigation of the ratio of assessed to true values in order to question the correctness of the average state rate.

I have only touched on the difficulties that are involved in the introduction of a system of *ad valorem* utility taxation. The Committee's proposals appear to me inconsistent at one point, for it is suggested (on page 73) that the tax commission shall make the utility assessments, and elsewhere (page 65) we find that the district assessors are to assess the operating properties of public utilities located in the county to which such district assessor has been assigned and to report this assessment to the tax commission.

Obviously, the district assessors should have nothing whatever to do with the general problem of utility assessment, for this must be done on a system or unit basis. If the intention is that they assess the small, local, intra-county utilities, this should be clearly indicated.

In contrast with the very complex and difficult procedure that is inevitable in any use of the *ad valorem* method of utility taxation, the tax on gross receipts is relatively simple and easy. When this tax is levied in lieu of all other taxes on the property and franchise, the tax base may include an apportionment of the receipts from interstate business. The present rates of tax on gross receipts in Pennsylvania are too low, but the use of capital stock taxes and possibly other special levies affords justification for this condition. If all other taxes of every sort were removed, then the rate on gross receipts could be somewhere from five per cent to eight per cent. In New Jersey the taxes on the gross receipts of power companies are eight per cent to nine per cent.

There need be no difficulty about local sharing of this tax if that be desired. In my opinion, the best method of doing this is through the educational equalization fund. Should it be necessary or desirable to divert a portion of the utility taxes to the municipal treasuries for general use, this can be done by setting aside some proportion of the yield, forty per cent, fifty per cent, or sixty per cent, and distributing it in relation to the amounts of utility property in the several districts. Company book values, by districts, will serve to establish the ratios for this distribution.

Because I am so fully and keenly aware of the problems and difficulties involved in the operation of an *ad valorem* system, I hesitate to approve the proposal to adopt it in Pennsylvania. In my opinion, it would be better to seek a revision of the gross receipts tax with a view to making it an "in lieu" tax at a reasonable rate.

The committee's proposals are obscure on another point in this connection. Among the new taxes recommended is a "utility gross receipts tax to be imposed in lieu of a local tax on the operating property of public utilities." (page 71.) This new tax is not again described, or even mentioned. The proposal to tax operating property is offered, "without prejudice to the present public utility gross receipts tax" (page 73), but that is a state and not a local tax. Evidently the committee wants to retain it at the rate of eight-tenths per cent, in addition to the *ad valorem* tax, in imitation of the Ohio system.

As I follow the report, there are only two new taxes proposed, beyond the foregoing suggestions for renovation of existing taxes. These are: (1) a retail sales tax at two per cent; and (2) a tax on earned incomes at three per cent.

Both of these proposals can be approved. The administration of a tax on the sale of "tangible personal property" involves its own peculiar difficulties, but these can in time be dealt with in a reasonably satisfactory manner. The exemption of both gasoline and alcoholic beverages is logical in view of the special taxes already imposed on these commodities. The exclusion of food is obviously a concession to the clamor that is to be expected against the alleged regressitivity of the sales tax. The operation of this exemption will add to the administrator's problem, and it may prove the entering wedge for further extension of the exemptions. Any such pressure should be resisted, for it would eventually seriously undermine the sales tax base.

The tax on earned income becomes a complement of the tax on the value of intangible property. As I have already indicated, the proposed tax of six mills on intangible property is too high, and better results may be expected if this rate does not exceed three or four mills. A three-mill rate on the capital value would be equivalent to an income tax of seven and one-half per cent on a four per cent bond. While there may be a case for taxing investment income more heavily than earned incomes, it is desirable to avoid as extreme disparity as is involved in the proposed six-mill rate, particularly in view of the fact that a uniform exemption is to be allowed in the case of the earned incomes, whereas no exemption at all is contemplated under the tax on intangibles.

The committee implies regret that a progressive income tax is not possible in Pennsylvania, for it prefaces the proposal to levy a flat rate tax on earned incomes by saying that the object of this tax is "To assure such equity of tax burden as is possible within the limits imposed by the Constitution of the Commonwealth . . ." (page 71).

In my opinion the inability to levy progressive tax rates is a

matter of congratulation rather than regret. The progressive tax movement is a product of the romantic rationalizing in tax theory during the past generation. The only valid defense of tax progression is the socialist argument for the equalization of wealth. The country is already suffering from the excessive use of progressive taxes on both incomes and estates. These taxes are carrying us rapidly toward the socialist goal, and we are already feeling the effects in the strain upon our standard of living.

(b) *Proposals for the improvement of tax administration:*

The most important administrative change recommended is the establishment of a state tax commission. With this proposal I heartily concur. I have been amazed that so large and important a state as Pennsylvania should have continued to be so indifferent, heretofore, to even the most elementary requirements of good tax administration as to have failed to provide a general state head and center for its tax administration.

There are two models between which to choose in establishing a state tax department. These are found in New York and Massachusetts, respectively. New York has a tax commission of three members, while Massachusetts has a single tax commissioner. Each method works well, and there are persuasive arguments in favor of each as against the other. In any case, the committee proposal for a commission of nine members is quite objectionable. This is too large a group for effective administration, and it is larger than is required for the discharge of any appellate functions that may devolve upon the commission. In any commission of nine, there will be at least seven loafers and obstructionists. Complete disaster may be safely predicted from any such arrangement.

Another fatal flaw in the committee's scheme is the notion that the membership of the commission shall afford "adequate and approximately equal representation for those groups in the community from whom taxes are collected and who administer the expenditure of tax moneys (page 65). I can imagine no standard of selection for the prospective tax commissioners which would be more certain to destroy completely the usefulness of this body. I have elsewhere stated my own views on the qualifications of the state tax commissioner, and I venture to quote some paragraphs from this earlier paper:[2]

> "The most important thing about the tax commissioners is the question of their qualifications. The one and only basis of appointment should be fitness for the position. The tax commission should never be considered a political haven, and party services or party obligations should never be permitted to influence these appointments. As much will be claimed by many persons for the particular department of government in which they happen to be interested. But the administration of taxes calls for peculiar qualities of impartiality and fairness. Taxes must be paid by the just and the unjust, by party friend and party foe, by Republicans and Democrats and Socialists alike. The man who accepts appointment as a tax commissioner on a basis of partisanship can hardly avoid some sense of obligation to the interests that secured his appointment, and thus the door is insensibly opened to serious abuse and discriminations.
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> "Among the qualities that indicate fitness for such a position, the first would evidently be knowledge of the taxation system and of the principles of taxation in general. High general intelligence will go far to make up for deficiencies in technical knowledge, and will assure a speedy acquisition of the latter under the pressure of necessity. In addition, certain moral qualifications are indispensable. The tax commissioner must be unimpeachably honest and utterly fearless. He should be judicial in temperament, and strongly endowed with common sense. This may read like a picture of the ideal man, but it would be difficult to exaggerate the importance of these qualities in the men to whom is entrusted the task of determining finally the burden of taxes to be imposed on the several citizens of the state. Whatever shortcomings we may tolerate in ourselves or our friends or some of our public officials, we cannot be too scrupulous about the high quality of the men who are to wield the tremendous power of taxation.
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> "It may be said that such a standard as this is an argument against a tax commission. But those who think thus should recall that the power of taxation is being exercised, and will continue to be exercised, whether we improve its administration or not. The question is whether to let Tom, Dick, or Harry continue in control or to select some of the highest grade men in the community and give them greater powers and responsibilities in this field.
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> "How shall such persons be secured? The most important conditions are adequate compensation and stable tenure of office. A high salary does not eliminate the unfit, but it does make possible the attraction of enough properly qualified persons to serve the state without resorting to the incompetent, since the latter are willing to hold office at a low salary if more cannot be obtained. But a high salary alone is not sufficient. There must be a fairly long tenure of office, and no prejudice against reappointment, if satisfactory service has been rendered. By a long tenure is meant at least six years, and it would not be improper to consider terms of eight or ten years for state tax commissioners. As long as the Governor has the power of removal for cause the clearly incompetent incumbents can be weeded out, and since the office is never to be regarded as one of the plums of political victory, such exercise of the executive authority should occur only to preserve or improve the quality of the commission.
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> "In addition to adequate compensation, stable tenure, and freedom from the distracting influences of partisan strife, the tax commission requires adequate support in the way of office staff and equipment. Stingy appropriations for such purposes mean saving at the spigot, and wasting at the bung. The tax commission must have the facilities for collecting, analyzing, and digesting the information necessary to a proper administration of the tax system, or its appointment will have been in vain.
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> *"It is not contended that the establishment of a state tax commission under the conditions that are here presented will make taxpaying a painless process. It will not cause the people to welcome the tax gatherer with flowers, nor to commemorate his deeds with a memorial statue. It can fairly be said, however, that the intelligent and impartial administration of the tax system of any state by a high grade tax commission will measurably promote the equitable distribution of the tax burden, and the man who materially contributes to this great end needs no other monument."*

If I were setting up such an administrative agency in Pennsylvania, I would transfer to it the complete responsibility for the administration and collection of state taxes, together with the supervision of local assessments. This might involve a transfer of certain state taxes from the Department of Finance or other state agencies, but such transfers should be made. The Department of Finance should be in charge of the preparation and execution of the budget, and it should have no responsibilities in the field of revenue administration. The tax commission should be equal and coordinate with the Department of Finance, and not merely a bureau in that Department, as has been so often proposed by some who have laid out attractive schemes on paper for the reorganization of state governments.

Another administrative proposal, with which I concur, is the creation of district supervisors of assessment. But again I differ as to the details, for there is no necessity to regard the county as the district supervision unit. In Wisconsin, where this scheme originated, the jurisdiction of the property tax supervisor embraces from three to ten counties, according to the volume of taxable property. In the rural sections of Pennsylvania a similar grouping of counties should be made. Only in the case of Philadelphia and Pittsburgh would there be a real need for regarding the county as the supervisory unit. These supervisors should be chosen strictly on a merit basis. They should have civil service tenure, and they should not participate in the assessment of public utilities.

The proposal to consolidate the local tax bills, with arrangement for quarterly payment, is good. If the county treasurer in Pennsylvania is a constitutional officer, it is doubtful if he should be the collector. The secret of effective tax collection is in the control which the tax commission should be able to exercise over him, and the existence of constitutional prerogatives may defeat this control. The best leverage of control, in my knowledge, is that provided in Massachusetts where the tax commissioner has authority to approve the collector's bond. The result is that the incompetent or indifferent collector does not remain long in office. It is doubtful if this control could be exercised over a constitutional officer whose primary obligation is to perform other duties, and who is simply serving as tax collector in an *ex officio* capacity.

[2] "What Should a Permanent State Tax Commission Do?" H. L. Lutz, California Tax Digest, Vol. 6, pp. 82, 83, (March, 1928).

2. The Foundation Program for Education

Other sections of the committee report deal with the plan for equalizing the cost of a foundation or minimum program. The details of this program have been carefully worked out, and I assume that they have been given, or will receive, adequate consideration by those who are most directly affected by the specific proposals.

In general, the basic features of such a method of equalizing school costs appear to be sound. The key to their successful and satisfactory operation is in the correct determination of true taxable value in the several districts. If the plans for establishing a vigorous and intelligent supervision of the local assessments are not fully and adequately put through, then the whole procedure of measuring the fiscal equalization aid must necessarily become distorted. The two major problems before the state, and in particular before the educational interests of the state, are, therefore, the provision of funds which can be devoted to the equalization process and the establishment of machinery whereby a satisfactory application of these funds can be assured. Of these, the latter is, in my opinion, the more important. That is, there will be less resistance to the proposals to increase taxes if it be possible to provide positive assurance that this money will be used to equalize school costs, and at the same time to protect the taxpayer at other points.

In this latter respect the committee report is naturally deficient, for its scope was not designed to cover the situation with respect to other governmental costs. Yet here is an aspect of the whole problem of taxes and costs which cannot be wholly overlooked. The taxpayers of Pennsylvania may arise and ask, when this program is under consideration, "Does the new tax revenue represent additional taxing and spending, or does it mean a replacement of a part of the heavy local taxes on property by other revenues?" The limitation of the local school tax rate to five mills on true value will leave leeway, in many places, for an increase in the levies for other purposes without causing an increase in the customary over-all local rates. If this slack is taken up by town, city, or county, then the new taxes will be additional and not replacement taxes. In sheer defense of the educational program, those who are primarily interested in this branch of the public service should be willing, even eager, to aid in the discovery and promotion of all changes and improvements in local government whereby the total cost can be kept down or reduced. It has been my experience and observation that school people have not always fully appreciated the need and importance of joining vigorously in the broader movements for controlling, and where possible, reducing the over-all cost of local government. I am throwing no stones at this assemblage for I know nothing about the status of such affairs in Pennsylvania. Since there has been very little change in the pattern of local government here since George Washington wintered at Valley Forge, I feel quite safe in saying that there must be considerable room for reducing your present costs by proper attention to the subject of local functions and administrative areas.

It also seems to me pertinent to suggest, in closing, that your chances of achieving the desirable goal of equalized educational costs will be greatly improved by a frank and dispassionate consideration of the ways by which funds can be released for this important purpose through the elimination of waste elsewhere. In proportion as the necessary leaks are stopped, I anticipate that the way for replacement equalization revenues will be smoothed.

GENERAL DISCUSSION

CHAIRMAN E. A. QUACKENBUSH:

I am sure that this address has included challenges which will call for discussion from the group. We shall be glad to have any questions at this time.

PROFESSOR MARION K. MCKAY *(University of Pittsburgh)*:

I am glad indeed to speak very briefly on some of the points that have been brought out. I think there have been high points and low ones. One of the highest perhaps was raised by all those who have expressed their opinion on the creation of a State Tax Commission of the State of Pennsylvania, which will be clothed with adequate powers of general supervision of taxation in the State. I am proud to say that Doctor Lutz emphasized having that commission separated from, and independent of, the Revenue Department, and also his desire to have such a commission clothed with very adequate powers.

I believe that the best thing this group of educators could do would be to renew their efforts in the direction of the creation of a Tax Commission. I likewise believe that there is too much tendency, on the part of each of us in our separate activity, to look upon local problems as the all-important ones, resulting in our not being active enough in what may be regarded as the budget of the Commonwealth. We fail to appreciate, as Doctor Lutz has indicated, that quite frequently taxation is a part of the demands of the State. I am sympathetic with this equalization program and the challenging figures that Doctor Lutz gave us, and you and I, as well as the superintendent, should put our shoulders to the wheel.

I want to take this opportunity also to disagree with my friend, Doctor Lutz, with regard to the desirability of the progressive income tax. I am convinced the progressive income tax is an essential feature of the modern tax program and very well adapted to existing conditions, for the time being at least. For this reason, I am very much interested in having our Constitution revised in such a way that it will make a progressive income tax possible. I believe that such a tax can be made within these limits without a sales tax in our State.

DR. GUY E. BUCKINGHAM *(Allegheny College)*:

I should like to ask Doctor Lutz if he would be willing to comment on the topic of safeguards which would make these taxes substitution taxes or replacement taxes instead of additional taxes.

DOCTOR LUTZ:

There are two ways in which that could be done and I will describe them without necessarily indicating a preference. One method is by legislative limitations. If you mean that whatever money you get from other sources is to replace other parts of our burden on real property, one way of doing it is to see that the return on real property shall not exceed so many mills, and they must get along within that limit.

Another method of doing it is that which involves a certain state administrative supervision and interference with the affairs of local units. We often hear it described as the Indiana Plan because it is in use in that state. The taxpayers who feel that local expenditures are running at too high levels are privileged to appeal to the board of tax commissioners for review. The tax commission authorizes reductions, and the local authorities are advised to observe these reductions.

You have seen enough of the variations in your tax rates from the exhibits which were shown on the screen earlier today, to see that it would be almost impossible to fix a tax limitation that would be of value in general application. In my own state of New Jersey, we find tax districts in which the rate is more than $10. on $100., and others in which it is only $2. on $100. Any place between these two extremes, where it would strike some uniform tax rate, would place an unfair limitation on some school districts, and would give some of the others more money than they would ever need for spending. Tax rate limitations should be the last recourse for accomplishing this purpose.

Limitation, cautiously and safely administered, is, in some respects, a better way of accomplishing this end.

A third way, which may be the best way, although practically and politically out of this question, is to work for and secure eventually a whole revision of local government that can be operated with less money than now is being spent. It means eliminating too many jobs, making too many of these required and fundamentally necessary readjustments in areas, and responsibility for services and all of the other functions of government, so that it just cannot be done.

You try to reorganize and say in Pennsylvania that nothing much has happened. It would be impossible to get anywhere, except by the full reorganization of school districts. It is possible to do a little about school districts, but try to do something with the boroughs and counties and see where you get. Both of the other ways are forceful, but the natural way is not the way the politicians like to do it, so I shall not advise you to wait for it, or to hold your breath until the people get ready to reduce their taxes in that way.

IV. THURSDAY NOON, OCTOBER 5

Luncheon Meeting

TOASTMASTER, DOCTOR FRANCIS B. HAAS

Doctor Haas opened the luncheon program by thanking the group for the enthusiastic reception accorded him, and said, "I know you mean it."

"Our program calls," he continued, "for Greetings from Governor James. I have talked to him personally with regard to this. He told me that he would like to come, but that he has cancelled all of his speaking engagements. I know that he is interested in us. I know, too, that we have a very deep sympathy for him just at this time. I know that he feels his bereavement very much, and I shall take the liberty of carrying back to him, for you, our sympathy at this time.

"For our first address this afternoon, we shall hear from Doctor Harley L. Lutz, Professor of Public Finance, Princeton University, who will speak to us on the topic 'The Evils of Deficit Financing',—Doctor Lutz."

Digest of

The Evils of Deficit Financing

HARLEY L. LUTZ
Professor of Public Finance
Princeton University

Opening the discussion of the topic "The Evils of Deficit Financing", Doctor Lutz deplored "the amazing growth of regimentation" as the most alarming result of the economic theories put into practice as a corrective during depression years.

The fact that this regimentation has occurred "with the apparent approval of a substantial majority of the people", he pointed out, was due to the failure on their part to differentiate between a democratic and a socialistic interpretation and application "of familiar and established slogans and concepts" to which Americans generally subscribe. The general appeal of "liberalism" as "the only means of saving democracy and the private business enterprise", has thus resulted in even greater regimentation.

Warning of the consequences of these trends, Doctor Lutz said that the essence of the democratic principle has disappeared as the controlling influence in public affairs, and, if continued, would inevitably result in a regimentation in which government would completely dominate a large sector of the business field.

Reviewing the successive arguments advanced in favor of our national defict financing, Doctor Lutz summarized them as follows:

1. PUMP PRIMING.

This homely rural analogy was explained as follows—"The stream of entrepreneurial receipts and payments had dried up. The business pump which kept this stream moving had dried up. A huge flood of government spending would prime the pump, start the stream of receipts and payments to flowing again, and thus the depression would be over.

"But it was not as easy as that. We are not concerned now with whether or not any pump-priming expenditure would do the trick. We do know that the experiment of 1933-1934 was not successful. The money spent gave a temporary stimulus to the consumption goods industries, but it did not end the depression because it did not and could not touch some of its fundamental causes."

2. INCOME-CREATING EXPENDITURE.

Deficit spending "was required to create purchasing power. Parallel with this was the fallacy that taxation diminshes purchasing power, hence it would dry up the stream of entrepreneurial receipts and payments at a time when the supposed need was for an enlargement of this stream.

"This new substitute for a deficit proves too much. It proves, if the thesis be sound, that there should be no taxation at all during a depression, for in that way there would be a maximum of income-creating expenditures. It proves also that there should be as large a deficit as possible."

3. WEALTH-CREATING EXPENDITURE.

It was explained that this argument was justified by the fact that a greater part of budgetary deficits, so created, had gone for permanent, tangible additions to our national wealth. Attention was directed to the nature of these permanent additions national wealth, which included:

"Direct Federal public works	$4,013[1]
Recoverable loans and investments	3,234
Public roads	2,424
Conservation through CCC	2,550
New construction projects WPA	2,687
Grants for public works (including administration)	1,523
Stabilization fund	2,000
Total	$18,431

[1] Amounts given in millions of dollars."

Four major objections to the operation of the theory of wealth-creating expenditure were voiced by the speaker as follows:

"a. All amounts thus far recovered through repayment of loans and realization on investments have gone into the general fund for current expenses and not toward the reduction of the debt incurred to make these advances;

"b. The inclusion of administration and other overhead expenses as part of the permanent additions to national wealth inflates the total of such additions;

"c. The inclusion of the stabilization fund, which was created by dollar devaluation, is entirely improper. This fund was not created by borrowing, hence it has no relation to the increase of gross public debt. It may be an asset for debt reduction if it is not lost in future foreign exchange manipulations. Its inclusion here suggests one way by which a reserve sufficient to redeem the entire debt could be created, namely, by a further devaluation of the gold stock.

"d. The implication that all items in the above list are *permanent* additions to national wealth overlooks the elementary requirements that the debt must be redeemed within the useful life of the improvement created. With no provision either for amortization or for depreciation, these improvements will all be gone before any of the debt to create them will have been redeemed."

4. EXPENDITURE FOR ECONOMIC INCREASE.

This theory justifies deficit spending to put capital and labor at work as the only means of effecting economic expansion. It assumes that enough capital and labor can be put to work to increase our national income to at least eighty billions of dollars per year. Such an income, it holds, would decrease unemployment and increase Federal revenue sufficiently to balance the current level of cash expenditures under our existing tax structure.

The Results of Our Deficit Spending Policy

Continuing the analysis of recent and current spending theories, Doctor Lutz pointed to certain obvious results of the operation of these theories as proof of their unsoundness, as follows:

"1. The most obvious result is the alarming increase of the public debt. In June, 1930, the gross debt was 16,185 millions. On August 31, 1939, it was 40,891 millions. In addition, there were outstanding in July, 1939, obligations guaranteed by the United States to a toal of 5,450 millions. The total direct and contingent Federal debt obligation is therefore some $46,391,000,000. The increase in nine years has exceeded $30,000,000,000.

"2. The policy has had but small effect on unemployment. The N. I. C. B. figures are as follows:

Date		Number Unemployed	Total Employed	Grand Total[1] Employable
Average	1929	469	47,885	48,354
March	1933	14,706	35,940	50,646
January	1938	10,907	42,761	53,668
January	1939	10,645	43,667	54,312

[1]Figures in thousands

"The following facts emerge from this table:

"a. There are still three-fourths as many unemployed as there were in March, 1933.

"b. The number employed is still more than 4,000,000 below the average of 1929.

"c. In ten years the total of employable persons has increased by nearly 6,000,000. Hence more than half of the present unemployment problem has apparently been created by this population since 1929. Despite the spending, we have not put as many persons to work as were working then. We have been able to do nothing for the new labor reserve as it comes along.

"3. The fundamental error in the spending policy has been the belief that the creation of spending power would lead to a permanent expansion of production. All of the pump-priming and income-creating arguments have rested on this foundation. There are various other schemes for establishing prosperity which are based on precisely this same foundation.

"There are two ways of enlarging the stream of entrepreneurial payments and receipts. One way is by giving the people more money to spend, regardless of their corresponding services in production, a policy which can be accomplished most easily by printing and distributing inconvertible legal tender paper money. * * *

"The other way of enlarging the stream of entrepreneurial payments and receipts is by increasing production, thereby enlarging the volume of consumer incomes in return for the production of more goods. This method is in accord with the orthodox theory of wages, which is that wages are a return to labor for labor's share in production.

"Under-Secretary of the Treasury Hanes stated the case clearly and accurately in his testimony before the Ways and Means Committee, in pointing out that the alternatives for securing an increase of production were either complete government control of the entire productive process, which would lead to the regimentation of the totalitarian state, or a freeing of private enterprise by a restoration of the stimuli which normally motivate it.

"Between these two methods of enlarging the volume of production, the choice seems to be perfectly clear, at least for a nation which still professes adherence to the system of private property and private enterprise. * * *

"4. A more insidious result, and in the end the most damaging result of all is the extent to which the deficit financing policy has disintegrated the democratic process and the democratic principle. The core of the democratic principle is a genuine popular control of the public purse. The most essential feature of the democratic process is the bona fide exercise of this fiscal control by the people. As long as they retain those powers, their public officials are truly public servants, but when popular control of finance is gone, the public officers become the masters.

"Popular or democratic control of the public purse involves two things. The first is popular approval of the expenditure program. This is given, under our system, by legislative action in appropriating money to be expended by the executive. The second element of popular financial control is the willingness to bear the taxes required to cover the appropriations.

"Under truly democratic finance, the people can control expenditures by giving or withholding their consent to the taxes required to pay the bill. Hence, it becomes axiomatic that a completely balanced budget is the only financial policy that is consistent with the democratic principle. And it is equally axiomatic that deficit financing is a subversion of the democratic principle which can eventually destroy it.

"The reason is plain. When a government, or an administration, can plan large expenditures and pay for them without the necessity of asking the people if they are willing to be taxed for the whole amount, it is actually governing without the consent of the governed. This situation is the more demoralizing since it is always easy to persuade the electorate that they are getting something for nothing. * * *

"Prolonged deficit financing is the surest road to dictatorship, for it means an habituation of the people to a policy under which they can have no effective control over the affairs of government."

With reference to our growing regimentation and the gradual disappearance of democratic principles, Doctor Lutz stressed deficit financing as the most important factor in this gradual "overthrowing of the American system."

"In the hands of unscrupulous administrators, and especially when coupled with complete domination of the institutions and machinery of credit," he said, "the budgetary deficit is more powerful than any wizard's wand. It confers super-human power * * *", and it "* * * persuades a bewildered people that there is, after all, an easy, effortless, and painless way of getting great things done, and of surmounting the difficulties which make the way of the plodder so hard."

The Tax Policy

Touching briefly on the matter of policies of taxation, Doctor Lutz stated that "the following criticisms seemed to be sound."

"1. The first mistake was the failure to use, early in the depression, the kind of taxation that would have provided funds for the extraordinary relief obligations. A similar mistake was made during the war, and then, as now, it resulted in a huge debt. This unwillingness to tax may be ascribed to—

"a. An extreme reliance on the income tax, despite all of the evidence to prove its fiscal inadequacy. Since the income tax would not do the job, it was deemed to be hopeless, and so the bond method was regarded as the only way.

"b. A belief that taxation during a depression is bad because it dries up purchasing power.

"2. The second mistake was the inauguration of punitive taxation", resulting in excessive "rates of income and a state taxation".

"3. The third mistake was a tax policy which has made severe inroads on the capital fund. Such has been the effect of our heavy income and estate taxes. This is more apparent in the case of income than of estate taxes.

"In the former case, it is obvious that money which the government takes out of current income cannot be used by the individual for the purpose of investment. In the latter, it is not so clear that a severe death duty will have a similar effect eventually. Large estates usually consist principally of securities, and liquidation of these holdings by the administrator in order to pay the tax does not immediately affect the quantity or the character of the actual capital apparatus of the community. There are as many factories, machines, and other pieces of capital equipment after the estate has been settled as there were before. Hence it is concluded that high death duties have no adverse economic effects. It is also concluded that beneficial results will follow the wider distribution of wealth that ensues. This assumption has yet to be proved."

Concluding his analysis of the tax policy, Doctor Lutz said, "When the tax theorists of the last generation began their struggles for progressive taxation, they were motivated by very high-minded and idealistic notions about equity and justice. They took an essentially romantic view, in which they held that it was impossible for this method of taxation to destroy the private economic system. Progressive taxation has become the most efficient instrument of all in hastening the downfall of private enterprise and in ushering in the socialist state. This method of taxation is not a product of the New Deal, but we have seen, in recent years, its most vigorous application. * * *."

In concluding his discussion, Doctor Lutz frankly stated that he had no recommendation to make as to what program would have been more effective in attaining the ends for which our policy of deficit financing was intended, but that the obvious outcomes of these experiments, and their consequent undemocratic regimentation, did constitute alarming evils of deficit financing.

Toastmaster Francis B. Haas:

"Thank you, Doctor Lutz.

"I assume that Doctor Lutz will not object to my reminding him that generally those who agree with us are very profound thinkers."

Doctor Haas next presented the thirty-two persons seated at the Speakers' table and, with special emphasis, introduced the two former Superintendents of Public Instruction, namely, Doctor David J. Waller, Jr., and Doctor Lester K. Ade. Following this, the next speaker on the program, Doctor Carleton Washburne, Superintendent of the Winnetka Public Schools, Winnetka, Illinois, scheduled to address the group on the topic "Remakers of Mankind", was presented.

Digest of

Remakers of Mankind

CARLETON WASHBURNE

Superintendent of Schools, Winnetka, Illinois

Opening his discussion, Doctor Washburne averred that all who are charged with the education of young people are, in a sense, remakers of mankind, that we have the next generation in our hands. "What are we going to make of it—what kind of a society? What kind of human beings are we going to produce through our system of education?" he asked.

Continuing, he pointed out that the World War, the revolution in Europe, the economic crisis of 1929, and all affairs that have come since, have made us aware of the fact that schooling of the more narrow type has failed to produce human beings who are capable of managing the affairs of this difficult age. "The boys and girls who are in our schools today", he said, "are tomorrow going to have to face tremendous problems. They are going into a world which will determine whether our civilization will destroy itself through wars and revolutions, or whether it will rise to greater and greater heights of human culture and well-being.

"We are in a period of rapid change and of great uncertainty. The complexities of modern civilization baffle us and threaten to overwhelm us. It is the boys and girls of this generation who will have to solve many of the basic problems that now confront mankind. You and I—those of us who are dealing with these boys and girls—need to find some way of helping them to solve these problems more intelligently and more capably than has the present generation.

"What are the schools doing about this? What should they be doing about it? If education is narrowly conceived as training in the three R's and the storing up of a miscellany of facts, it is useless in this crisis. If, however, it is attempting to train our children to meet these problems courageously, intelligently, and in terms of social well-being, it must clearly perceive its purposes and work directly toward the accomplishment of those ends."

Doctor Washburne stated that it was with the realization of this thought, in the early days of the depression, that he felt he did not know enough to do his job, that he did not know enough to guide his own teachers, or to advise those before whom he talked in various parts of the country, and for this reason he asked for a year's leave of absence in order to get a perspective on this new problem.

"In the hope of clarifying my own vision", he said, "and of coordinating the vision of my fellow educators around the world, I undertook an investigation of the aims of education as conceived by the leaders of thought in Japan, China, and India; in the Arab countries, Turkey, and Russia; and in various parts of Europe and the United States. I circled the globe for a year, interviewing presidents of universities and normal schools, ministers of education, heads of teachers' organizations, and such world figures as Tagore, Gandhi, and Einstein. To each I put five definite questions. It is to these questions, and the replies I received, that I wish to devote the major part of my time. Please ask yourself these questions as I repeat them.

The First Question

The first question Doctor Washburne asked of various national leaders was:

> "Do you want, through education, to perpetuate and perfect the existing social order; or do you want to bring about a new social order which you clearly preconceive; or do you want to develop each individual to his own fullest capacity, without regard to any special kind of social order, in the hope that a generation of individuals so developed will be able to work out a better social order than the present one or than any now planned?"

Doctor Washburne stated that everywhere he went he asked the same questions. The diversity of replies received is indicated by the following:

Japan—

"The answers to the first question varied from country to country. Most typical is that of the Japanese. Their leader said, 'We want to make Japan more perfectly herself'. This is very understandable if one knows something of the history of Japan. It is the one country which has had one dynasty during its entire history. It is the one nation of any age that has never been defeated in a war. It is a nation where religion and politics are one. The Emperor is literally a god. I do not mean that he is divinely inspired, but actually a living god. If time would permit I would give you a number of illustrations of this. The Japanese people are united in a religious fervor for their Emperor and a religious nationalism which makes Japan one solid unit, which makes it impossible for them to conceive of any other system or to think that it could be better than their existing social order."

Russia—

"In talking with the Consul of Education in Russia, I found that they certainly do not want to perpetuate the existing social order in Russia. He said, 'We have not achieved our objective. Our educational program is all directed toward bringing about a state in which there shall be no classes, a state in which no man can possibly exploit another for his own personal advantage, a state in which machinery shall be used for the liberation of man, a state in which the leisure shall be brought about through the wise use of machinery, a state in which there will be security for all who are willing to work. We do not have that type of state in Russia, but we want to bring it about. Education is our means toward that end'. However ignorant we may feel Russia is as to the acceptability of its ideal, this much we must recognize,—that for the first time in the world's history, a nation has deliberately set about, through education, to bring about the realization of a dream. And it is doing it with amazing efficiency in various ways. They are not trying this program through private methods and they do not allow any local autonomy as to what their laws are. Not only the public schools, but the newspapers, the radio broadcasts, theatres, magazines, books, and every means of communicating ideas is included in this gigantic idea."

England—

"The English answer was rather typical. The man to whom I talked said, 'Certainly the school is no place for propaganda either for the existing social order or the future social order. I believe that if our boys and girls are taught to think honestly for themselves, to see for themselves, and to face issues, they will realize that the British system is the best'."

India—

Gandhi said, "The main purpose of education is the training of character. The Three R's are valuable, yes—they are useful tools, but in the hands of the man who lacks character, they are a dangerous weapon. When the schools concentrate upon developing in our boys and girls not any especial ideology, but the ability to work for the well-being of their fellow human being, then the social order, whatever it is, will work by itself."

The Second Question

The second question was—

> "Do you want, through education, to help boys and girls to grow up with so strong a spirit of patriotism that they will subordinate their own conscience, their own sense of what is right, to obedience to the dictates of their government; or do you want them to grow up into men and women who will put their own conscience first and the dictates of their government second?"

Japan did not know what was meant. Their leader said, "Their conscience would tell them to do what their Emperor wants". Russia did not understand. The Chinese leaders in various parts of the country said, "Let us try to get the people to follow their own individual consciences. The great bulk of the people, in times of crisis, will follow the herd, and that will not make a large enough number to do any harm to the safety of the country. It is

a wholesome thing to work toward, but let not us over-do ourselves".

One Russian said, "I hope that our government will never be small enough to tell us what we must believe or what we may say and do".

The Arabs said, "We have had too much of following individual consciences. The Arabs have not been able to unite because of the differences of the consciences of people. We must forget individual differences and unite so that there will be brought about a greater union of the Arab people".

An English leader said, "You cannot study the history of England without realizing that it is the history of revolt against authority. We have always respected the person who would stand up against authority for the thing in which he believed".

Gandhi said, "We want to bring about in India a much stronger national conscience. The court of last appeal is the individual conscience. Each person must live what he believes to be true." One of Gandhi's leaders said, "We must allow people to bow to their conscience and let them be so sure of what they believe that they will be willing to suffer for it".

The Third Question

The third question was—

> "Are you trying to make of your children nationalists who will put the welfare of their own country first, or world citizens who will put first the well-being of the world as a whole?".

The Japanese leader said, "Japan is like a family and community. In its relation with other families, it is fair and just. We respect their property and honor their rights. Japan will always live at peace and harmony with other nations if other nations are righteous".

Russia said, "What do you mean by world well-being? If you mean the well-being of classes, naturally we are concerned. If you mean are we interested in the well-being of Russian workers only, or the workers of all the world, we are interested in the well-being of all workers".

China said, "'Why should we be concerned about the well-being of other nations?' This leader referred to other nations trying to take away part of Chinese territory on every side, and added, 'Why should we be interested in those who are exploiting us'?"

The Arabs said very much the same thing. Their leader said, "We were once a great people. You owe much of your science to us. We are now torn apart and utterly exploited by other nations who have used our knowledge. We are not concerned about the well-being of other nations, but let us unite all Arabs who will arise and be the people we once were".

Gandhi said, "We need to develop internationalism in India. We need to develop a strong love of country, but it must be only a prelude to internationalism. We must not use it to exploit any other nation".

Einstein said, "What are these boundary lines that make a nation? Who put those lines there? Those lines shift from generation to generation. What makes them shift?—mass murders and political conniving. Is there anything holy about those boundary lines that a person who was once there ceases to be my brother? Is there anything about these lines that keeps human beings from being human beings? Patriotism is a beautiful name for a dirty thing".

The Fourth Question

The fourth question was—

> "Are you trying to teach history objectively as a science, showing both sides of all controversial questions, showing the faults as well as the virtues of national heroes, showing the wrong your country has done, as well as the right; or are you trying to teach history in such a way as to develop certain attitudes and points of view on the part of the children, subordinating some facts and emphasizing others to this end?"

Japan said, "Children are much too young to hear about the faults of their heroes".

The Chinese said, "We Chinese people are suffering from an inferiority complex. To teach to our children the faults of our heroes is to pick out those parts of history which will not give them self-confidence. We should try to give them the kind of history which will stimulate them to do things to strengthen the Chinese nation".

Russia said, "'Do you think that any people ever succeed in teaching history objectively as a science?' This leader referred to the histories in the United States and pointed out the fact that the South has a different history on the Civil War than the North."

In Germany and in France, "the attitude was that we should try to have an objective in our teaching of history, but that we should not fool ourselves". Their leaders said, "We have to make a selection and the selections are going to be determined by our outlook on the world. We are going to have to make choices in what we are going to teach. No matter how democratic we try to be, our history will always be biased history."

"The teachers of France, however, are much more international in their attitude than is the government. Through organizations they constitute a very real force. France has 120,000 elementary teachers, 80,000 of whom are members of the Teachers' Syndicate, and 20,000 of whom are members of the Teachers' Federation—a Communistic group. They have succeeded in having thrown out of the schools, twenty-three books which they thought were not of the right type.

"I talked with the English labor leader regarding this point. Referring specifically to the World War he said, 'I suppose we could get away from this tendency to give a nationalistic slant to our history if each time that we used an English textbook on a controversial question, we would use a corresponding translation of a German textbook, or some other textbook'."

Gandhi said, "You mean, are we teaching history as it is taught in English and America? Why not? Let us have faith in the course and give the course no matter what it happens to be".

Einstein, some French instructors, and a professor at Johns Hopkins said "'the reason our histories are vague is because they are concerned with political factors'. In effect they all said, 'We win and lose our wars. Let us concern ourselves with the things that have really counted in the human race—the Renaissance, the Reformation, the Industrial Revolution—those things that have no boundaries. We would do well if we would confine our attention in history to the basic progress of the human race'."

The Fifth Question

The fifth and last question was—

> "Do you believe that children should be allowed or encouraged to discuss controversial issues in school? If so, should the teacher attempt to avoid influencing the conclusions they reach, emphasizing only open-mindedness, fact-finding and logic, or should the teacher attempt to direct the discussion in such a way that the children will come to a conclusion in accordance with the point of view of the proponents of one side of the issue? If the latter is the case, should the teacher try to influence the children toward his own personal viewpoint or toward that of the government?"

"The answers to this question were not as clear-cut. They differed widely among individuals, and chiefly about that of children discussing controversial issues," Doctor Washburne stated.

The Japanese answered, "Children come to school to learn, not to talk."

Russia said, "'Why surely, they may discuss anything'. I asked 'Do you mean that you would allow them to discuss whether Communism was right or wrong'? The leader hesitated, and then said, 'Yes', and told of a student at the University of Moscow who got up in the classroom and said that he thought Capitalism had certain advantages over Communism, adding 'But we graduated him'. The leader continued that the students may even discuss radio addresses in school. I asked him whether they could discuss the question of whether or not Trotsky should have been exiled. He replied that that was a past issue and would not be discussed."

France said, "'It is against the law in France for children to discuss controversial questions until they reach the logical age in school—the last year'. Incidentally, less than one per cent of all pupils get that far, but up to that time any discussion is taboo."

England, and Gandhi, and most people in this country were definitely in favor of allowing freedom of discussion on controversial issues, restricted as to the issues only by the age of the children.

As to Germany, "Hitler was then just coming into power, but a great many leaders in Germany advocated a certain amount of discussion".

The English leader said, "'Yes, they should have freedom of discussion, but the teacher must necessarily guide that discussion, —she must necessarily guide their conclusions. She cannot help it.

A teacher would not be a teacher if she did not have the means to guide the children'. This leader said very little as to the direction in which the children shall be guided," Doctor Washburne stated, "that is, as to whether toward the personal viewpoint or the governmental viewpoint".

The Turks said, "The teacher has a mandate from the state. For the teacher to influence the discussion in any direction other than the state's direction would be contrary to that mandate".

A leader in Berlin said, " 'Well, after all, the teacher is the agent of the state, and as an agent, he must influence the children toward the belief that the state is right. If he cannot do that, he has no choice but to resign'. However, one leader in Germany said, 'Suppose a teacher has a belief that is contrary to the government which happens to be in power. A teacher's loyalty is not to any power but to the truth'. Incidentally, this leader is now in prison".

"Einstein had the best answer. He said, 'Let the children discuss if they be able to discuss the question intelligently. We waste a great deal of time on discussion in school before the children have any viewpoints or any ability to discuss them. They merely tell what they hear at home. Just as soon as a child is old enough to be really interested, and is old enough and interested enough to get facts, then let him attempt to discuss such issues. But even then, not toward a particular conclusion, but toward an honest attempt to find facts, toward the use of a sound logic. That sort of influence from the teacher is necessary for education. Discussion under those conditions may be absolutely free'."

In conclusion Doctor Washburne said, "From the answers to these questions, it is clearly apparent that educators of today are not in agreement as to the kind of individual, or as to the kind of society, they are trying to develop through education. Each of these questions must be thought through, and if education is to have a real effect in helping the oncoming generations to approach world problems intelligently, those who are in charge of our schools today, and the population which supports those schools as well, must have a clearer vision than now exists as to the purposes of education.

"If time would permit, I would try to show you how a certain integration of these widely divergent answers is possible. In each case, the question assumes a division between the individual and society. There is no such division. As you think over these questions, try to think the answers in terms of both the individual and society because the child is bound up with society and society is the individual as a whole. We who are 'Remakers of Mankind', each in his own small degree, has to face these problems. It is our responsibility to find a way to answer them honestly, in our own school systems, if our children are to be able to make a better world than that into which they have been born."

Toastmaster Francis B. Haas:

"Thank you, Doctor Washburne.

"I should like very much to take this opportunity to thank again, those who have made this meeting such a success by planning, by active participation, and by providing an audience. We have had an opportunity to learn something.

"May we sing one verse of 'America', after which this meeting and this Congress will stand adjourned."

The singing was led by Dr. M. Claude Rosenberry, Chief, Music Education, Department of Public Instruction.

The meeting and the Congress were adjourned.

AMERICAN EDUCATIONAL OBJECTIVES

THE EDUCATIONAL POLICIES COMMISSION

National Educational Association
American Association of School Administrators

Education for Selfrealization

The inquiring mind—The educated person has an appetite for learning.

Speech, reading, writing—The educated person speaks, reads, and writes the mother tongue efficiently and clearly.

Number—The educated person solves his problems of calculation.

Sight and hearing—The educated person is skilled in listening and observing.

Health knowledge and habits—The educated person understands the facts of health, and works to improve his own health and that of the community.

Recreation—The educated person is participant and spectator in many sports.

Intellectual interests—The educated person has mental resources for the use of leisure thru many arts and pastimes.

Esthetic interests—The educated person seeks, enjoys, and treasures beauty.

Character—The educated person gives responsible direction to his own life.

Education for Human Relationship

Respect for humanity—The educated person puts human relationships and welfare first in his scale of values.

Friendships—The educated person enjoys a rich and sincere social life.

Cooperation—The educated person can work and play with others.

Courtesy—The educated person observes the amenities of social behavior.

Appreciation of the home—The educated person appreciates the importance of the family as a social institution, as a creator and guardian of human values.

Conservation of the home—The educated person conserves family ideals.

Homemaking—The educated person is skilled in the arts of homemaking.

Democracy in the home—The educated person maintains democratic family relationships. To practice democracy in the home is to build democracy into the entire fabric of the nation's life.

Education for Economic Efficiency

Work—The educated producer knows the satisfaction of good workmanship.

Occupational information—The educated producer understands the requirements and opportunities for various jobs, and has selected his occupation.

Occupational efficiency—The educated producer succeeds in his vocation.

Occupational adjustment—The educated producer improves his efficiency.

Occupational appreciation—The educated producer appreciates the value and significance of his work in a democracy.

Personal economics—The educated consumer plans the economics of his life.

Consumer judgment—The educated consumer has standards for spending.

Efficiency in buying—The educated consumer is an informed, skillful buyer.

Consumer protection—The educated consumer takes steps to safeguard his economic interests as a consumer

Education for Civic Responsibility

Social activity—The educated citizen acts to correct undesirable conditions.

Social understanding—The educated citizen seeks to understand social structures and processes in a democracy.

Critical judgment—The educated citizen has defenses against propaganda.

Tolerance—The educated citizen respects honest differences of opinion.

Conservation—The educated citizen has a regard for the nation's resources.

Social applications of science—The educated citizen measures scientific advance by its effects on human welfare.

World citizenship—The educated citizen belongs to the world community.

Political citizenship and law observance—The educated citizen respect the law and accepts his civic duties.

Devotion to democracy—The educated citizen acts upon an unswerving loyalty to democratic principles.

Personal Growth Leaflet, Number Sixteen

(This may be detached for framing)

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